

Date: 05 February 2020

To: MEMBERS OF THE SOUTH YORKSHIRE
LOCAL PENSION BOARD

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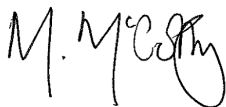
Dear Member

SOUTH YORKSHIRE LOCAL PENSION BOARD
Thursday 13 February 2020

A meeting of the South Yorkshire Local Pension Board will be held at 11.00 am on Thursday 13th February, 2020 in Meeting Room 14, Town Hall, Barnsley, S70 2TA.

The agenda is attached.

Yours sincerely



Martin McCarthy
Deputy Clerk

Encs

Distribution: Cllr Tony Damms, Nicola Doolan-Hamer, Rob Fennessy, Andrew Gregory, Nicola Gregory, Steve Loach, Cllr Tosh McDonald, Kevin Morgan, Garry Warwick. and David Webster

Terms of Reference

1. Compliance and Control

- 1.1 To review administrative governance and risk management processes and procedures in order to ensure they remain compliant with the Regulations and Regulators Code of Practice.
- 1.2 To assist with the development and review the implementation of the Authority's various policy documents and procedures.
- 1.3 To review the actions taken in response from internal and external review agencies (such as Internal and External Audit and the Pensions Ombudsman).

2. Administration

- 2.1 To monitor and review the performance of the Scheme administration from the scheme members' and employers' perspective including making any recommendations for changes to the Pensions Administration Strategy.
- 2.2 Assess the quality of service provided by the Pensions Administration Service and identify any areas for improvement.

3. Communications

- 3.1 To monitor and make recommendations as appropriate on the means and content of communication with scheme members and employers.
- 3.2 To produce an Annual Report upon the Board's activities to be submitted to the Pensions Authority.

4. Budget

- 4.1 To agree an annual budget for the operation of the Local Pension Board and submit it to the Authority for approval.

5. Reporting

- 5.1 To make such recommendations to the Authority with regard to the matters set out in these Terms of Reference as it sees fit.

SOUTH YORKSHIRE LOCAL PENSION BOARD

THURSDAY 13 FEBRUARY 2020 AT 11.00 AM IN MEETING ROOM 14, TOWN HALL, BARNSELY, S70 2TA

AGENDA

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SOUTH YORKSHIRE PENSIONS AUTHORITY

LOCAL PENSION BOARD

11 DECEMBER 2019

PRESENT: G Warwick (GMB) (Chair)

T Damms (Sheffield City Council), A Gregory (Scheme Member Representative), N Gregory (Academy Representative), S Loach (Employer Representative), K Morgan (Unite) and D Webster (Scheme Member Representative)

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

J Barata (CEM Benchmarking), I Colvin (Hymans Robertson) and J Simmonds (CEM Benchmarking)

Apologies for absence were received from N Doolan-Hamer, R Fennessy, M McCarthy and C Scott

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 introduced I Colvin from Hymans Robertson who had been commissioned by the Scheme Advisory Board to look into governance in the LGPS.

I Colvin explained that Hymans Robertson were looking at the structure and governance framework of LGPS funds. There had been an extensive consultation during the summer and two reports had subsequently been published which included a number of recommendations. He would be working with G Graham and his team to look at the themes emerging and how these would affect SYPA as the Authority was unique across LGPS funds.

The Chair commented that The Pensions Regulator was looking closely at Local Pension Boards to ensure they were effective and fulfilling the role for which they were created.

In the past the Board's agendas had been mainly officer-driven but, with the recent appointment of an advisor to the Board, it was an ideal time to ensure agendas were more Board member-driven. The Chair requested that members suggest topics they would like to see raised, any areas they would like to look at in depth and any ideas for training sessions.

4 MINUTES OF THE MEETING HELD ON 17 OCTOBER 2019

RESOLVED – That the minutes of the meeting of the Board held on 17th October 2019 be agreed as a true record.

5 PENSIONS ADMINISTRATION STRATEGY

The Head of Pensions Administration presented a report to update the Board on the proposal to consult on changes to the Administration Strategy and the collection of contributions via direct debit.

The Administration Strategy set out what services SYPA would provide and what was expected from employers. The Strategy was introduced in 2016 and updated in March 2018 prior to the introduction of Monthly Data Collection.

As Monthly Data Collection (MDC) had now been successfully embedded into employer processes and routines, SYPA would now like to move to the collection of monthly contributions from employers by direct debit.

The existing Administration Strategy had been updated to reflect the proposed change in process and was ready for consultation with employers. The opportunity had been taken to update some other minor areas of the document which had become outdated. Appendix A showed the full Strategy document with tracked changes highlighting the amendments.

The Chair commented that he was pleased that the Pension Information Surgeries were to continue in each district, albeit with reduced opening times and asked if the days and times each office was open could be circulated.

Action: J Bailey to circulate the opening days and times of each district office to Board members.

In response to a question from S Loach, J Bailey confirmed the locations of the district offices as:

| | |
|-----------|-----------------|
| Barnsley | Gateway Plaza |
| Doncaster | Civic Office |
| Rotherham | Riverside House |
| Sheffield | Howden House |

The Board queried why the annual tax seminar, provided by an independent advisor, for members was to be discontinued.

J Bailey replied that as the externally commissioned seminar was aimed at a small cohort of high earners, the Fund was paying for something that would only be relevant for a very limited number of members; this was not considered an appropriate use of resource. SYPA could continue to offer general information sessions around these issues and employers were also free to commission specialist support if they wished which SYPA could support with.

With regard to the advice for schools converting to academies, the second bullet point read: [schools should] “assess whether their budget will allow for the payment of employer contributions.....”. N Gregory suggested the wording should be amended to read “ensure” rather than “assess” as there was no choice other than to join the LGPS.

The Board noted other amendments including updating the service standards in the Customer Charter as previously agreed by the Authority, fees for the provision of information and additional non-standard work, and the table of charges and financial penalties.

In reply to a question regarding the requirement for employers to submit their MDC file by the 5th day of the month following the end of the payment period, J Bailey explained that this was due to the need to give 10 days’ notice for a direct debit; the statutory deadline for the payment of contributions was the 19th of the month. There was the potential for some flexibility if employers were willing to waive the 10 day notice period and any issues raised would be discussed with individual employers.

RESOLVED – That the Board:

- (i) Endorse the draft changes to the Administration Strategy for consultation with employers.
- (ii) Note the proposed changes in the contribution collection process and the revised timescales for receipt on the monthly data from employers.

6 SYPF FUNDING STRATEGY STATEMENT

The Fund Director presented a report which gave the Board the opportunity to provide its views on the draft Funding Strategy Statement.

The Board was informed that the Funding Strategy Statement sets out the Authority’s policies that define how it intends to ensure that funds are available to pay pensions as they fall due. These included the setting of employer contributions, the management of deficits and surpluses, the assessment of the employer covenant and the management of employer admissions and exits.

The key changes reflected in the draft FSS were set out in the report. With regard to the McCloud judgement, G Graham informed the Board that an estimate had been made of the impact of the case and employers were being provided with the option of making additional contributions now to begin to meet the cost or to make what may be a greater level of contributions (including a “backdating” element)

once the final remedy was known. This would potentially provide greater stability in contribution rates for employers who chose to take the option.

Members noted that the maximum deficit recovery period would be 16 years, which was a reduction of 3 years as compared to the last valuation. Where possible, and within the overall approach to contribution stability, deficit recovery periods for individual employers would be brought down further.

RESOLVED – That the report be noted.

7 LOCAL PENSION BOARD BUDGET 2020/21

The Board considered its draft Budget for 2020/21.

Members noted that in the current financial year it was anticipated that the budget of £15,000 would be underspent by £9,000. The key variances were training, insurance and meetings running expenses.

With regard to the removal of the liability insurance for the Board, it was noted that the clear advice of the Scheme Advisory Board was that such a policy was not needed and therefore the policy had not been renewed.

The Fund Director explained that as the Board was not a decision making body it could not create a liability for the Authority therefore the insurance was unnecessary.

Although the training budget had been underspent it would remain at £6,000 for 2020/21. Members were encouraged to take up training opportunities and in addition resources had been reallocated for training sessions alongside Board meetings delivered initially by the Independent Advisor and officers.

To help the Authority to provide relevant training Board members were reminded to complete and return the Learning and Development questionnaire that had been circulated.

With regard to the savings being made on printing and postage, S Loach suggested that further savings could be made if the Board received agendas electronically.

RESOLVED – That the Board recommend the draft budget to the Authority for its approval as part of the Authority's overall budget.

8 MONITORING OF CONTRIBUTIONS PAYMENTS

A report was considered which updated the Board on current procedures for the monitoring of timely payment of contributions from employers and to provide details of contributions paid late and action taken in the financial year as at the end of quarter two.

The Board were informed that employers are required to make payments of all employer and employee contributions to the Authority within statutory deadlines.

Where payments are received later than the deadline, and the Authority considers that the late payment is of material significance, it had a duty to notify the Pensions Regulator of the late payments.

The report detailed the current procedures for monitoring of contribution payments and also showed a summary of the number of employers, analysed by size, who had made a late payment during the period April to September 2019.

It was noted that in the vast majority of cases, the amounts paid late were relatively small amounts and often relating to only one element of the contributions due.

As the Board had learned earlier when considering the update Pensions Administration Strategy, it was intended to move to Direct Debit collections with effect from 1st April 2020; this should reduce the risk of late payments in future.

In the event of an employer failing to make a data submission in time, it was proposed that contributions would still be collected (usually on the basis of the previous month's return) to avoid late payment situations.

In answer to a question from a Member, the Board was informed that none of the late payments had been reported to the Regulator as they had not been considered to be of material significance.

J Bailey informed the Board that in future the report would be presented on a quarterly basis.

RESOLVED – That the Board note the actions being taken in relation to the monitoring of contributions payments.

9 THE PENSIONS REGULATOR (TPR) UPDATE

A report was submitted to update the Board on the submission for the TPR Annual Scheme Return and the Public Service Governance and Administration Survey.

Members were reminded that the Pensions Regulator (TPR) required each pension scheme to submit an Annual Scheme Return each November. Whilst much of the return was routine administration and governance, TPR do also use the Annual Return to collect scores on data quality and the measurement of common and conditional data.

At the last meeting the Board were advised that the data score submitted for the 2018 Return was:

Common Data: 96%
Conditional Data: 87%

The Scheme Advisory Board (SAB) issued draft guidance on the data fields that could be measured by LGPS funds which was intended to provide a consistent approach across LGPS. SYPA developed its data analysis tool to accommodate

the SAB guidance and had submitted the following data scores calculated using the new guidance:

Common Data: 96%
Conditional Data: 91%

Members noted that although there had been an improvement overall, it was not particularly meaningful to compare the scores for 2018 and 2019 because the data measurements were not consistent. The summary of results to arrive at the data scores shown was attached at Appendix A for information.

Data would continue to be reported on quarterly and a Data Improvement Plan would be submitted to the next meeting of the Board.

At Appendix B was SYPA's response to TPR's annual Public Service Governance and Administration survey which was intended to help TPR understand what schemes were doing to improve their standards. The survey had been completed by officers in conjunction with the Chair of the Board.

It was thought that TPR would continue to focus on data along with cyber security, and member knowledge and understanding.

RESOLVED – That the Board:

- (i) Note the actions associated with the updated approach to data quality scoring submitted to the Pensions Regulator as part of the Annual Scheme Return.
- (ii) Note the responses to the TPR Governance and Administration Survey.

10 BENCHMARKING OF ADMINISTRATION

A report was submitted to update the Board on the outcome of two separate administration benchmarking exercises undertaken for 2018/19.

Members were informed that the CIPFA benchmarking exercise was specifically for LGPS funds and SYPA had been a participant for many years but this year SYPA and a number of other large LGPS funds also took part in a benchmarking exercise run by CEM, an independent provider with wider involvement in supporting the pensions world outside of the LGPS.

It was noted that the CIPFA Benchmarking Club was voluntary and that in 2019 only 27 funds out of approximately 90 funds chose to participate. Although this would limit the conclusions to be drawn from a national perspective, the club remains the principal source of comparative cost data available for LGPS funds.

It was hoped that one of the possible outcomes of the Good Governance Review would be that funds would be encouraged or mandated to participate in an appropriate benchmarking exercise.

The report showed that the total cost per scheme member for 2019 was £18.71 compared with an average of £17.69 for the comparator group. For comparison purposes, the total cost per scheme member in 2018 was £18.67.

It was difficult to draw conclusions from the data provided by CIPFA given the limited scale of participation but further analysis contained within the report suggested that SYPA invested less in Membership Engagement and Employer Engagement in 2018/19 than other participating funds. This issue had now been addressed, at least in part, by the recent administration restructure and the creation of specific engagement posts.

The Board considered the CEM Benchmarking Analysis which compared SYPA's governance and pensions administration costs and member service with a peer group of 12 other pension schemes which had membership of between 85,877 and 571,449.

In summary, the results of the analysis were:

Costs

- Total costs were £4.72 per member below the peer average.
- Governance costs were £1.67 per member lower than the peer average.
- BAU administration costs were £4.34 per member lower than the peer average.

Member Service

- SYPA scored well for service in the areas of:
 - Telephone – pre-connection
 - Social media
 - Meeting members one-to-one
 - Estimates
- SYPA scored below their peers in the areas of:
 - Telephone outcomes
 - Setting up new pensions

Cost effectiveness

- SYPA were positioned as high member service, low cost on the CEM administration cost effectiveness graph.

Employer Service

- SYPA scored well for its website.

J Bailey acknowledged the need to measure more aspects of service, especially with regard to telephone outcomes; how employers and how SYPA should report back to employers were performing was also an area to look at.

In all the report was generally positive and had brought out further areas to develop. It was hoped to see improvements in service areas, while recognising it was important not to concentrate too much on cost.

RESOLVED – That the Board:

- (i) Note the outcome of the 2018/19 CIPFA Benchmarking exercise.
- (ii) Note the potential areas for service development highlighted by the CEM Benchmarking exercise.

CHAIR

Agenda Item 6



| | | | |
|-----------------------------------|----------------------------------------|---------------|------------------|
| Subject | Quarterly Administration Update | Status | For Publication |
| Report to | Local Pension Board | Date | 13 February 2020 |
| Report of | Head of Pensions Administration | | |
| Equality Impact Assessment | Not Required | Attached | No |
| Contact Officer | Jason Bailey | Phone | 01226 772954 |
| E Mail | JBailey@sypa.org.uk | | |

1 Purpose of the Report

- 1.1 To update Members on administration performance and issues for the period from 1 October 2019 to 31 December 2019.
-

2 Recommendations

- 2.1 Members are recommended to:
- a. **Comment on the content of the revised administration update and indicate any areas where they would like to receive further detail.**
-

3 Link to Corporate Objectives

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

Customer Focus

To design our services around the needs of our customers (whether scheme members or employers). The report includes reference to feedback from our customers as to their experience of the retirement process

Listening to our stakeholders

To ensure that stakeholders' views are heard within our decision making processes. The report includes feedback from employers on the consultation for a proposal to move to direct debit collection of contributions and the update to the administration strategy.

Effective and Transparent Governance

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

4 Implications for the Corporate Risk Register

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

5 Background and Options

- 5.1 This report seeks to make Board Members aware of the main areas of administration performance and any topical issues relevant to the reporting period(s) in question. To ensure that Members have access to the latest available data, this report includes data for the quarter just completed.
- 5.2 Members will note that the content of this administration update has been updated this year to include information not provided previously. This is intended to provide Members with a wider view of the issues the administration service is handling and we continue to welcome feedback on any subject areas where Members feel additional reporting would be beneficial.

Staffing Issues

- 5.3 The following table is a summary of joiners and departures for the administration service during the last quarter. There were six departures during the period and one new appointment to cover maternity leave. In terms of the retirements at team leader level, these were planned and the vacancies have been filled internally following the completion of the Pensions Administration restructure that was reported to Members at the October 2019 meeting.

| Starters | Comments |
|----------------------------|--------------------------------------------------------------------------------|
| Payroll Officer | 12 month fixed term contract to cover maternity leave. |
| Leavers | |
| Benefits Team Manager | Voluntary retirement. New team leader post filled through service restructure. |
| Benefits Team Manager (PT) | Voluntary redundancy. New team leader post filled through service restructure. |
| Payroll Manager | Employer consent retirement. Post vacant pending restructure. |
| Payroll Officer (PT) | Voluntary retirement. Post vacant pending restructure. |
| Pensions Officer (PT) | Voluntary retirement. Post being filled through recruitment. |
| Communications Officer. | Voluntary retirement. Post being filled through recruitment. |

- 5.4 Members will note that there were two leavers from the payroll team (and a third staff member has resigned in January 2020). In the light of the departures, the newly established Customer Centre and the Benefits team have taken responsibility for the handling of pensioner queries and a number of transactions traditionally handled by the payroll team to ensure the reduced payroll team has sufficient capacity to focus on the payroll running function, supported by the Finance and Corporate Services team from 1 January 2020. The formal review of the payroll function is scheduled to take

place as part of the wider Finance and Corporate Services restructure planned for Summer 2020.

- 5.5 As mentioned above, the Pensions Administration restructure is now complete and there were 12 FTE vacancies in total which are now being externally recruited.
- 5.6 In terms of sickness absence, the table below shows the annualised absence levels for the quarter and the two previous full years for reference. Unfortunately, sickness absence for Quarter 3 was much higher than average. The short-term absence is likely to be a symptom of seasonal infections but is being monitored by the Senior Management Team to ensure there were no underlying causes.
- 5.7 The long-term absence during the quarter represents four members of staff with unrelated conditions. Of these, one has since resigned and one has returned to work. The remaining two are being actively managed in line with SYPA's existing absence policies.

| Average Days per FTE | Q3 2019-20 Annualised | YTD 2019-20 Annualised | 2018/19 | 2017/18 |
|----------------------|-----------------------|------------------------|---------|---------|
| Short-Term | 3.76 | 3.09 | 2.53 | 3.7 |
| Long-Term | 7.12 | 5.87 | 11.23 | 3.22 |
| Total | 10.88 | 8.56 | 13.76 | 6.92 |

Case Work Performance

- 5.8 Under the standard reporting protocol, the case work performance of the administration teams for the last quarter is shown below. Previous year figures are shown for comparison.

| Category | Volumes | | Performance | | | |
|--------------|------------|-------------|-------------|-------------|---------------|---------------|
| | Q3 2019-20 | YTD 2019-20 | Q3 2019-20 | YTD 2019-20 | Total 2018-19 | Total 2017-18 |
| Priority | 1,241 | 3,934 | 90% | 90% | 91% | 83% |
| Non-Priority | 12,431 | 44,515 | 70% | 72% | 83% | 83% |
| Overall | 13,672 | 48,449 | 72% | 74% | 83% | 83% |

- 5.9 It is clear that overall performance has dipped during the current financial year, although the completion of priority work (retirement and death cases) has remained consistently around 90%. As reported previously, the administration service was operating with a number of vacancies across the teams pending the restructure of the service and this has inevitably had an impact on the delivery of the service. Now that the new structure has been completed, it is anticipated that the junior vacant roles at least will be filled during Quarter Four. A combination of the recruitment to vacant posts together with the application of improved automation should lead to an improvement in case work performance from Quarter One of the new financial year.
- 5.10 The table below provides a summary of performance against the main subject areas. Performance levels have increased from Quarter Two in a number of non-priority areas but volumes of deferred benefits processed has dropped. The calculation of deferred benefits is one of the first areas entry level staff will learn so it is planned that this area will be prioritised once the new staff join

| Case Type | Target Days | Q3 19-20 Volume | Q3 19-20 % on time | Q2 19-20 Volume | Q2 19-20 % on time | Q1 19-20 Volume | Q1 19-20 % on time | Comment |
|-------------------|-------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|----------|
| Priority | | | | | | | | |
| Retirements | 5 | 850 | 92% | 957 | 93% | 922 | 95% | |
| Deaths | 4 | 382 | 88% | 355 | 78% | 441 | 80% | |
| Non Priority | | | | | | | | |
| New Joiners | 5 | 1827 | 82% | 1457 | 88% | 1966 | 91% | |
| Deferreds | 20 | 824 | 59% | 1135 | 58% | 1238 | 49% | See 5.10 |
| Refunds | 9 | 493 | 84% | 420 | 71% | 131 | 75% | |
| Transfers In | 7 | 498 | 62% | 503 | 29% | 92 | 15% | |
| Transfers Out | 5 | 400 | 54% | 575 | 38% | 55 | 29% | |
| Divorce | 5 | 85 | 85% | 84 | 58% | 74 | 66% | |
| General enquiries | 5 | 510 | 94% | 510 | 91% | 626 | 94% | |
| Estimates | 5 | 1333 | 64% | 1282 | 77% | 408 | 91% | |
| Aggregations | 20 | 1737 | 42% | 1267 | 19% | 2072 | 34% | |

- 5.11 At the October 2019 meeting, members of the Board were provided with a summary of cases outstanding at the end of Quarter 2. The table below updates this for Q3. There are three key areas (highlighted) which will be the focus of additional attention once the new staff have been appointed – namely deferred benefits, transfers in and aggregations. We will map the progress of the volumes outstanding to provide assurance to the Board that these areas are being addressed.

| Case Type | Volumes of cases pending (awaiting external parties) | Volumes of cases to be processed/in processing End Q3 | Volumes of cases to be processed/in processing End Q2 |
|-------------------|------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| Priority | | | |
| Retirements | 187 | 41 | 82 |
| Deaths | 166 | 36 | 35 |
| Non Priority | | | |
| New Joiners | 14 | 206 | 68 |
| Deferreds | 3768 | 759 | 1023 |
| Refunds | 244 | 190 | 214 |
| Transfers In | 211 | 415 | 573 |
| Transfers Out | 167 | 78 | 92 |
| Divorce | 25 | 11 | 10 |
| General enquiries | 68 | 37 | 65 |
| Estimates | 871 | 165 | 307 |
| Aggregations | 533 | 2622 | 1682* |
| | | | *understated |

- 5.12 It is acknowledged that the Board also requested some additional information about reporting performance against statutory disclosure requirements. The time limits for statutory disclosures are less rigid but they measure different time scales to those historically measured by SYPA. Performance targets have focused on time taken once

SYPA is in a position to process the case whereas the statutory disclosure requirements often focus on measuring time taken to provide information to members since an event occurred i.e. in the case of leavers, the time taken from the date the member left the scheme. SYPA are currently testing some additional reporting which will provide this level of detail and we expect to have this data available to share for Quarter 4.

Employer Performance

5.13 Members will be aware that employers now submit individual data on a monthly basis and we previously reported that commitment from employers to the monthly data collection process has been good. The tables below show the recent performance, though most of the outstanding returns have also now been submitted.

| Sept 2019 (due Oct) | Number of returns expected | Returns received | Outstanding | % Success Rate |
|-------------------------------------|----------------------------|------------------|-------------|----------------|
| Total Active Employers in SYPA Fund | 498 | 489 | 9 | 98% |

| Oct 2019 (due Nov) | Number of returns expected | Returns received | Outstanding | % Success Rate |
|-------------------------------------|----------------------------|------------------|-------------|----------------|
| Total Active Employers in SYPA Fund | 506 | 497 | 9 | 98% |

| Nov 2019 (due Dec) | Number of returns expected | Returns received | Outstanding | % Success Rate |
|-------------------------------------|----------------------------|------------------|-------------|----------------|
| Total Active Employers in SYPA Fund | 507 | 503 | 4 | 99% |

5.14 Members also requested sight of employer performance on the payment of contributions. The table below shows late contribution payments in respect of receipts in November and December. As advised previously, for the vast majority of cases the amounts paid late are relatively small, often relating to one element of the contributions due, such as an adjustment or an amount in respect of lump sum deficit payments.

| Total Number of Payments Made Late - October and November 2019 | | | | |
|-----------------------------------------------------------------------|------------------------|----------------------|----------------------|----------------------|
| Employer Size - Number of Active Members | 1 Month or Less | 1 to 2 Months | 2 to 3 Months | 3 to 6 Months |
| [0 to 50] | 35 | 14 | 5 | 1 |
| [50 to 100] | 5 | 3 | 2 | 0 |
| [100 to 260] | 2 | 0 | 0 | 0 |
| [1,000 to 2,000] | 0 | 0 | 0 | 0 |
| [4,000 to 5,000] | 1 | 1 | 1 | 1 |
| Total | 43 | 18 | 8 | 2 |

- 5.15 There were two instances (shown below) where late payment has been charged to employers. These are both isolated incidents and are not indicative of any persistent issues.

| | Number of Active Members | Total Interest Charged | Details |
|------------------------------------------|--------------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Barnsley MBC | 50 members missed | £636.88 | One pay area missed for May to Oct 2019 - a total of £128,520 - due 19/06/2019 to 19/11/2019, paid on 16/12/2019. |
| Sheffield City Region Combined Authority | 81 | £56.37 | Contributions due for October - a total of £58,788.67 - due 19/11/2019, paid 09/12/2019 |

Scheme Member Engagement – Customer Satisfaction

- 5.16 The Authority is keen to improve engagement with our scheme members to measure the levels of satisfaction with our service and had agreed to start with surveying members who have recently retired to understand their experiences. The table below shows the overall satisfaction levels from respondents to the survey issued to members who retired in August, September and October 2019.

| Q. Overall, how satisfied are you with the service you receive from us? | |
|-------------------------------------------------------------------------|-----|
| Very Satisfied | 67% |
| Satisfied | 24% |
| Dissatisfied | 6% |
| Very Dissatisfied | 3% |
| Total Number of Respondents | 158 |

- 5.17 Clearly the fact that nearly 10% of retirees who responded were not satisfied with the level of service does give some cause for concern. The most common themes for dissatisfaction from members were the delays to the retirement process and the lack of communication around delays. There do appear to be some issues with employers not sending early notification of retirements and the new Support and Engagement officers have been tasked with working with employers to improve the process in this area.
- 5.18 As advised previously, the quality of the documentation issued to members at retirement is also being reviewed to simplify the language and presentation of information and we hope this will assist in improving the overall satisfaction levels.

Employer Engagement – Customer Satisfaction

- 5.19 An online questionnaire was issued to employers who had attended the Employer Forum in November 2019. Only a modest level of response was received (18) but the results were encouraging from those that did respond. Employers were asked a number of questions but the summary questions and responses were:-

| Q. How did you rate the event overall? | |
|----------------------------------------|----|
| Excellent | 1 |
| Good | 15 |
| Satisfactory | 2 |
| Poor | 0 |

| Q. How satisfied are you with the performance of SYPA overall? | |
|----------------------------------------------------------------|----|
| Very Satisfied | 1 |
| Satisfied | 17 |
| Dissatisfied | 0 |
| Very dissatisfied | 0 |

- 5.20 It was clear from the feedback received on the day that employers would value an increase in the number of training sessions available and the Support and Engagement team are putting together a set of available sessions that can be offered to employers to help them meet their statutory requirements. These will be publicised through the Employer Portal.

Scheme Member Engagement – online portal

- 5.21 Members may recall that the annual benefit statements for 2019 were issued online rather than paper based (see section 5.24 below) and we have been carrying out an exercise to encourage all scheme members (regardless of status) to sign up to use the online portal which was enhanced and expanded earlier this year. **Appendix A** shows the numbers of scheme members who have registered for the portal since January 2019.

- 5.22 The increase in the numbers of members registered in the last quarter is positive but still remains a relatively low proportion of the overall membership of the Fund so we are continuing our campaign to encourage members to register ahead of the issuing of the 2020 statements.

Administration timeline

- 5.23 There is a calendar of activity for the administration service which may not always be visible to members of the Board and **Appendix B** is a summary of the main headline activities for the current financial year which was presented at Quarter 2. We are very happy to consider providing further information on any aspect of the scheduled activity list in future reporting to the Board.
- 5.24 In terms of recent activity, the Customer Centre was officially launched from 1 January 2020 and we will provide some initial volume reporting to Members at the end of Quarter 4. As referenced elsewhere, the restructure of the administration service was also finalised in Quarter 3. Phase 3 of the restructure involved the transfer of the payroll function to the Finance and Corporate Services team and this was originally set for the end of March 2020. This change was actually brought forward to 1 January 2020 as a result of the departure of a couple of members of the payroll staff which prompted the review to commence earlier than planned.

Data Quality

- 5.25 Members of the Board will be aware that a Data Score measuring both Common and Conditional (or scheme specific) data is reported to the Pensions Regulator annually. **Appendix C** shows the current data score which has not changed significantly from the score reported at the December meeting.

The single biggest issue for the Common Data score is the number of members with whom we have lost contact. As part of the monthly mortality screening we have in place for pensioners, we have also utilised an address screening service. This has identified a total of 1,000 pensioners where there is a possible change of address to be investigated. These are currently being reviewed manually and contact made with the pensioners where appropriate. At this stage in the project, we estimate that 30-40% of these cases will be genuine changes of address which we were not aware of. Once the investigation of pensioners has been completed, we will proceed to screen our deferred members and deferred refund cases.

6 Implications

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

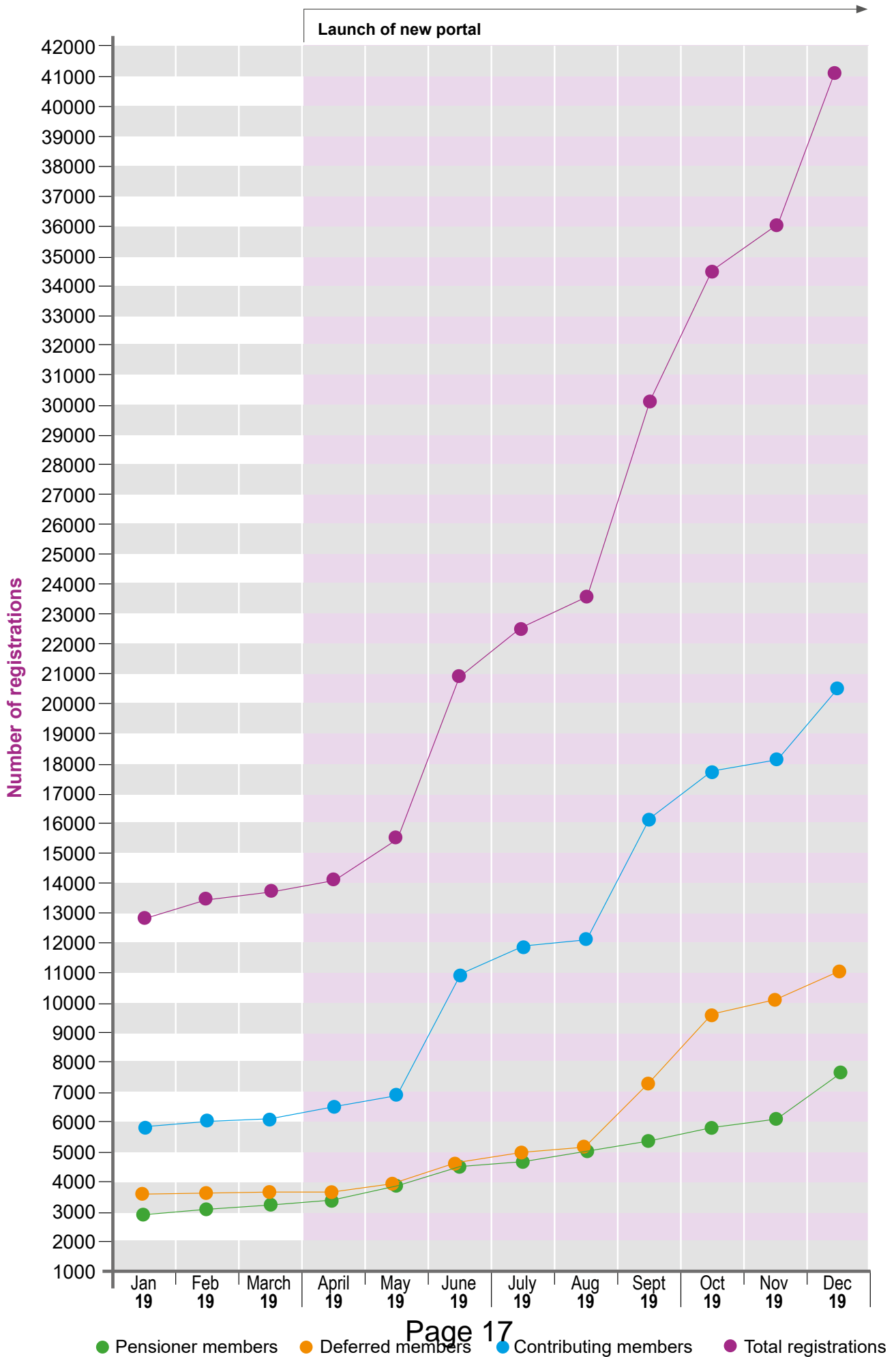
| | |
|-----------------|------|
| Financial | None |
| Human Resources | None |
| ICT | None |
| Legal | None |
| Procurement | None |

Jason Bailey

Head of Pensions Administration

| Background Papers | |
|--------------------------|----------------------------|
| Document | Place of Inspection |
| | |

mypension registrations January 2019 - December 2019



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2019



APRIL

Pension increase on the first Monday after 5 April and will increase in line with inflation.
New version of **mpension** portal goes live.
Distribution of **Life Certificates**.
Launch of **switchboard service**.



JUNE

Preparation of **Annual Report**.
Retirement Survey distributed.
District Office staff relocate to Gateway Plaza.



AUGUST

Annual Benefit Statements distributed to active and deferred scheme members.



OCTOBER

Annual Fund Meeting for scheme members to be held in Sheffield.
Phase 1 of **restructure** completed.



DECEMBER

First anniversary of move from Regent Street to **Gateway Plaza**. One year in the new building/ environment.
Phase 2 of **restructure** completed.
Customer Centre due to launch.



FEBRUARY

Customer Service Excellence full review.

MAY

Publication of online and printed versions of **Retirement Insight**, the newsletter for pensioner members.



Audit of accounts for the year ended 31 March 2019.

Printed payslips & P60s to all pensioners.

JULY

Benchmarking data submitted to CIPFA and CEM.

Valuation data submitted to Actuary.

Consultation on **restructure** issued.



SEPTEMBER

Publication of online and printed version of **Retirement Insight** (pensioner newsletter), and online versions of **Pension Planning** (active members' newsletter) and **Your Past Is Your Future** (deferred members' newsletter).



Launch of **Employer Query Portal**.

NOVEMBER

Employers' Forum to be held at Holiday Inn, Barnsley.

Provisional **valuation** results announced.

Launch of **Employer Online Quotes**.



JANUARY

Benchmarking results published CEM and CIPFA.



MARCH

Phase 3 of **restructure** completed.

Final **valuation** results published to employers.



2020

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Appendix C

| Validation | Records Validated | | | | | | | | | | | | Total | Total Pass | % Pass | Total Fail | Bench mark |
|-------------------------------------|-------------------|-----------------|----------------|----------|--------------------|--------------------|-----------------|---------------------|-------------------------------|---------------|------------------|--------|--------|------------|--------|------------|------------|
| | Actives | Orphan AVC Only | Unproc Leavers | Deferred | Deferred Ex Spouse | Deferred Pensioner | Deferred GMP/PR | Pensioner Ex Spouse | Pensioner Ex Spouse Pensioner | Ben Pensioner | Preserved Refund | | | | | | |
| 1. NI Number | 48676 | 8 | 6317 | 50361 | 108 | 3 | 0 | 47827 | 83 | 6593 | 9296 | 169272 | 168961 | 99 | 311 | 90 | ✓ |
| 2. Surname | 48676 | 8 | 6317 | 50361 | 108 | 3 | 0 | 47827 | 83 | 6819 | 9296 | 169498 | 169498 | 100 | 0 | 90 | ✓ |
| 3. Forenames | 48676 | 8 | 6317 | 50361 | 108 | 3 | 0 | 47827 | 83 | 6819 | 9296 | 169498 | 169498 | 100 | 0 | 90 | ✓ |
| 4. Gender | 48676 | 8 | 6317 | 50361 | 108 | 3 | 0 | 47827 | 83 | 6819 | 9296 | 169498 | 169498 | 100 | 0 | 90 | ✓ |
| 5. DOB | 48676 | 8 | 6317 | 50361 | 108 | 3 | 0 | 47827 | 83 | 6819 | 9296 | 169498 | 169498 | 100 | 0 | 90 | ✓ |
| 6. Date Pensionable Service Started | 48676 | 8 | 6317 | 50361 | 108 | 3 | 0 | 47827 | 83 | 0 | 9296 | 162679 | 162614 | 99 | 65 | 90 | ✓ |
| 7. Expected Retirement Date | 48676 | 8 | 6317 | 50361 | 108 | 3 | 0 | 47827 | 83 | 0 | 9296 | 162679 | 162435 | 99 | 244 | 90 | ✓ |
| 8. Membership status | 48676 | 8 | 6317 | 50361 | 108 | 3 | 0 | 47827 | 83 | 6819 | 9296 | 169498 | 169484 | 99 | 14 | 90 | ✓ |
| 9. Last status event | 48676 | 8 | 6317 | 50361 | 108 | 3 | 0 | 47827 | 83 | 6819 | 9296 | 169498 | 169476 | 99 | 22 | 90 | ✓ |
| 10. Address | 48676 | 8 | 6317 | 50361 | 108 | 3 | 0 | 47827 | 83 | 6819 | 9296 | 169498 | 163470 | 96 | 6028 | 90 | ✓ |
| 11. Postcode | 48676 | 8 | 6317 | 50361 | 108 | 3 | 0 | 47827 | 83 | 6819 | 9296 | 169498 | 168911 | 99 | 587 | 90 | ✓ |

| Common Data Result | | | | | | | | | | | | Total Records | Total Pass | % Pass | Total Fail |
|--------------------|--|--|--|--|--|--|--|--|--|--|--|---------------|------------|--------|------------|
| | | | | | | | | | | | | 169498 | 162930 | 96 | 6568 |

| Validation | Records Validated | | | | | | | | | | | | Total | Total Pass | % Pass | Total Fail | Bench mark |
|------------------------------------------------------------|-------------------|----------------|----------|--------------------|--------------------|-----------------|---------------------|-------------------------------|---------------|------------------|--------|---------------|------------|------------|------------|------------|------------|
| | Actives | Unproc Leavers | Deferred | Deferred Ex Spouse | Deferred Pensioner | Deferred GMP/PR | Pensioner Ex Spouse | Pensioner Ex Spouse Pensioner | Ben Pensioner | Preserved Refund | | | | | | | |
| 1. Member Benefits – Divorce Details | 48676 | 6317 | 50361 | 108 | 3 | 0 | 47827 | 83 | 0 | 153375 | 153313 | 99 | 62 | 90 | ✓ | | |
| 2. Member Benefits – Transfers In | 48676 | 6317 | 50361 | 0 | 3 | 0 | 0 | 0 | 0 | 105357 | 105098 | 99 | 259 | 90 | ✓ | | |
| 3. Member Benefits – AVC & Other Additional Benefits | 48676 | 6317 | 50361 | 0 | 3 | 0 | 0 | 0 | 0 | 105357 | 105330 | 99 | 27 | 90 | ✓ | | |
| 4. Member Benefits – Total Original Deferred Benefit | 0 | 0 | 50361 | 108 | 3 | 0 | 0 | 0 | 0 | 50472 | 50371 | 99 | 101 | 90 | ✓ | | |
| 5. Member Benefits – Tranches of Original Deferred Benefit | 0 | 0 | 50361 | 108 | 3 | 0 | 0 | 0 | 0 | 50472 | 50367 | 99 | 105 | 90 | ✓ | | |
| 6. Member Benefits – Total Gross Pension | 0 | 0 | 0 | 0 | 3 | 0 | 47827 | 83 | 0 | 47913 | 47765 | 99 | 148 | 90 | ✓ | | |
| 7. Member Benefits – Tranches of Pension | 0 | 0 | 0 | 0 | 0 | 0 | 47827 | 83 | 0 | 47910 | 47901 | 99 | 9 | 90 | ✓ | | |
| 8. Member Benefits – Total Gross Dependent Pension | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6819 | 6819 | 6792 | 99 | 27 | 90 | ✓ | | |
| 9. Member Benefits – Tranches of Dependent Pension | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6819 | 6819 | 6814 | 99 | 5 | 90 | ✓ | | |
| 10. Member Details – Date of Leaving | 0 | 0 | 50361 | 108 | 3 | 0 | 47827 | 83 | 0 | 98382 | 98382 | 100 | 0 | 90 | ✓ | | |
| 11. Member Details – Date Joined Scheme | 48676 | 0 | 50361 | 0 | 3 | 0 | 47827 | 0 | 0 | 146867 | 146865 | 99 | 2 | 90 | ✓ | | |
| 12. Member Details – Employer Details | 48676 | 6317 | 50361 | 108 | 3 | 0 | 47827 | 83 | 0 | 153375 | 153365 | 99 | 10 | 90 | ✓ | | |
| 13. Member Details - Salary | 48676 | 0 | 50361 | 0 | 0 | 0 | 0 | 0 | 0 | 99037 | 97705 | 98 | 1332 | 90 | ✓ | | |
| 14. CARE Benefits – CARE Data | 48676 | 6317 | 50361 | 0 | 3 | 0 | 0 | 0 | 0 | 105357 | 104153 | 98 | 1204 | 90 | ✓ | | |
| 15. CARE Benefits – CARE Revaluation | 48676 | 6317 | 50361 | 0 | 3 | 0 | 0 | 0 | 0 | 105357 | 104092 | 98 | 1265 | 90 | ✓ | | |
| 16. HMRC – BCE Event 2 & 6 | 0 | 0 | 0 | 0 | 3 | 0 | 47827 | 83 | 0 | 47913 | 47472 | 99 | 441 | 90 | ✓ | | |
| 17. HMRC – Lifetime Allowance | 0 | 0 | 0 | 0 | 3 | 0 | 47827 | 83 | 0 | 47913 | 47906 | 99 | 7 | 90 | ✓ | | |
| 18. HMRC – Annual Allowance | 48676 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 48676 | 45791 | 94 | 2885 | 90 | ✓ | | |
| 19. Contracting Out – Date Contracted Out | 48676 | 6317 | 50361 | 0 | 3 | 0 | 47827 | 0 | 0 | 153184 | 152675 | 99 | 509 | 90 | ✓ | | |
| 20. Contracting Out – NI Contributions & Earnings History | 0 | 0 | 50361 | 0 | 3 | 0 | 47827 | 0 | 0 | 98191 | 98191 | 100 | 0 | 90 | ✓ | | |
| 21. Contracting Out – Pre 88 GMP | 0 | 0 | 50361 | 0 | 3 | 0 | 47827 | 0 | 0 | 98191 | 94904 | 96 | 3287 | 90 | ✓ | | |
| 22. Contracting Out – Post 88 GMP | 0 | 0 | 50361 | 0 | 3 | 0 | 47827 | 0 | 0 | 98191 | 94288 | 96 | 3903 | 90 | ✓ | | |
| Conditional Data Result | | | | | | | | | | | | Total Records | Total Pass | % Pass | Total Fail | | |
| | | | | | | | | | | | | 160194 | 145491 | 90 | 14703 | | |

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| | | | |
|-----------------------------------|---------------------------------------------------|---------------|------------------|
| Subject | Review of breaches, complaints and appeals | Status | For Publication |
| Report to | Local Pension Board | Date | 13 February 2020 |
| Report of | Head of Pensions Administration | | |
| Equality Impact Assessment | Not Required | Attached | No |
| Contact Officer | Jason Bailey | Phone | 01226 772954 |
| E Mail | JBailey@sypa.org.uk | | |

1 Purpose of the Report

- 1.1 To update members on the latest available record of reported breaches and provide details of complaints and appeals for the period from 1 October 2019 to 31 December 2019.
-

2 Recommendations

- 2.1 Members are recommended to:
- a. **Note the breaches summary and comment on any further reporting requirements or actions.**
 - b. **Note the outcome of complaints received and comment on any further requirements.**
-

3 Link to Corporate Objectives

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

Customer Focus

To design our services around the needs of our customers (whether scheme members or employers). Complaints and appeals provide valuable feedback on potential areas for improvement in administration

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times. The Pensions Regulator's Code of Practice 14 places focus on the requirements to manage breaches of the law and the importance of maintaining a system of recording breaches.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report represent one method of working to mitigate risk O1 in the Corporate Risk Register which centres on the ability of the Authority to protect the data it owns and the data it handles.

5 Background and Options

Breach Reporting

- 5.1 The reporting of breaches was expanded previously at the request of members of the Board to include all the items listed in the latest breaches report which is now attached at **Appendix A**. There was a reduction in the number of breaches in this quarter, down from nine in the previous quarter.
- 5.2 Both of the breaches that occurred were unfortunate human error and therefore avoidable. They were both individual errors, the nature of which has not appeared on the breaches log previously so it is not anticipated at this stage that any specific procedural changes are required.

Complaints

- 5.3 **Appendix B** provides a summary of complaints received in the reporting period(s). As previously requested by members of the Board, the summary report now includes commentary as to whether the complaints received were indicative of a wider process issue which may need review/improvement.
- 5.4 The total number of complaints received in the Quarter was eight, which is consistent with previous periods. Of these, four were outside of SYPA's control. Of the four that were caused by the actions of the administration service, two were training issues that have been resolved.
- 5.5 Two of the complaints have led to actions that required further intervention. Firstly, a number of potential retirement recalculations (following receipt of revised pay figures from the employer) had been outstanding for some time and these are now being prioritised by the Benefits team. Secondly, a process issue has been identified where there is a spouse's pension and the spouse is not also receiving the death grant and this is being resolved through a process change.

Formal Appeals

- 5.6 During the reporting period, one formal Stage 1 appeal was completed under the Internal Disputes Resolution Process. This related to a member appealing against the reduction in benefits between the estimate she was provided with and the actual benefits paid. The cause of the reduction was the pay figure used which would ordinarily have been an employer issue but the former Districts team had been involved so the appeal was heard by SYPA. The appeal was not upheld.

6 Implications

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

| | |
|-----------------|------|
| Financial | None |
| Human Resources | None |
| ICT | None |
| Legal | None |
| Procurement | None |

Jason Bailey

Head of Pensions Administration

| Background Papers | |
|--------------------------|----------------------------|
| Document | Place of Inspection |
| | |

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SYPA Record of Breaches

| Year | Ref | Date Identified | Type of Breach (e.g. personal data, contributions, criminal activity, etc) | Description | Action Taken in Response to Breach | Possible Impact (Red/Amber/Green) | Date Reported to Local Pension Board or Authority | Reported to Pensions Regulator or other statutory body (e.g. ICO)? | Reported to Data Protection Officer? | Details of any follow up actions taken/required or wider implications | Breach Open/Closed |
|---------|-----|-----------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------|-----------------------------------|---------------------------------------------------|--------------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------|---------------------------------|
| 2019/20 | 36 | 11/10/2019 | Personal Data | Membership data for wrong member sent to another LGPS fund as part of a transfer process. | LGPS fund have deleted data sent in error. | Green | 13/02/2020 (LPB) | NO | NO | No wider actions as data routinely shared between LGPS funds. Issue addressed with staff member. | Open pending any Board comments |
| 2019/20 | 37 | 13/01/2020 | Personal Data | Letter sent to member with incorrect name and NI number included. | Scheme member returned letter. | Green | 13/02/2020 (LPB) | NO | NO | Template document was used but not updated. Issue addressed with staff member. | Open pending any Board comments |

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COMPLAINT SUMMARY

1 October 2019 to 31 December 2019

| Reference | Complainant | Nature of Complaint | Response issued within target response time? | Responsible party | Follow up actions required/taken? |
|--------------------------|-----------------|------------------------------------------------------------------------------------|----------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------|
| C30 | Active Member | Member unhappy that AVCs were not deducted from her salary. | YES | Third Party - AVC Provider | Head of Pensions Admin in contact with AVC provider to follow up on communication issues |
| C31 | Retired Member | Pension had been overpaid due to incorrect pay figures being provided by employer. | YES | Employer/SYPA | Delays by SYPA had exacerbated issue. Outstanding recalculation cases under review. |
| C32 | Retiring Member | Retirement quote had overstated benefits and actual amounts paid were lower. | YES | SYPA | Individual error with staff member in relation to an AVC fund - training issue now resolved. |
| C33 | Claims company | Claim in relation to "mis-selling" of member who transferred out of the scheme. | YES | None | None. Information about transfer had already been supplied to a solicitors. |
| C34 | Beneficiary | Delay in paying spouse's pension. | YES | SYPA | Procedural issue under investigation. |
| C35 | Retiring Member | Member incorrectly advised that estimate of benefits was overstated. | YES | SYPA | Individual error with staff member - training issue now resolved. |
| C36 | Deferred Member | Login details not received for MyPension | YES | Member | NA. User error - member resolved issue. |
| C37 | Deferred Member | Member disagreed with time limits on transfer out | YES | None | NA. Statutory provision. |
| Total for Quarter | 8 | | | | |

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Agenda Item 8



| | | | |
|-----------------------------------|-------------------------------------------------------------------------|---------------|------------------|
| Subject | Accountability Arrangements in the Context of Investment Pooling | Status | For Publication |
| Report to | Local Pension Board | Date | 13 February 2020 |
| Report of | Fund Director | | |
| Equality Impact Assessment | Not Required | Attached | No |
| Contact Officer | George Graham Fund Director | Phone | 01226 772887 |
| E Mail | ggraham@sypa.org.uk | | |

1 Purpose of the Report

- 1.1 To provide the Board with the opportunity to discuss the operation of accountability arrangements in relation to the pooling of investments within the Border to Coast Pensions Partnership.

2 Recommendations

- 2.1 Members are recommended to:
- a. **Note and comment on the contents of this report.**

3 Link to Corporate Objectives

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

Investment Returns

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

Effective arrangements for the management of the pooling process contribute to an increased likelihood of delivering the returns required to meet the Fund's liabilities.

Responsible Investment

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

Responsible investment is central to the Authority's investment beliefs and it is therefore important that any arrangements for oversight and accountability in relation to pooling are equally applicable to this area of activity.

Effective and Transparent Governance

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

The Authority has an obligation to ensure that its governance arrangements including the arrangements it has in place in relation to the pooling process are effective and are constructed so as to maximise the likelihood of the desired outcomes.

4 Implications for the Corporate Risk Register

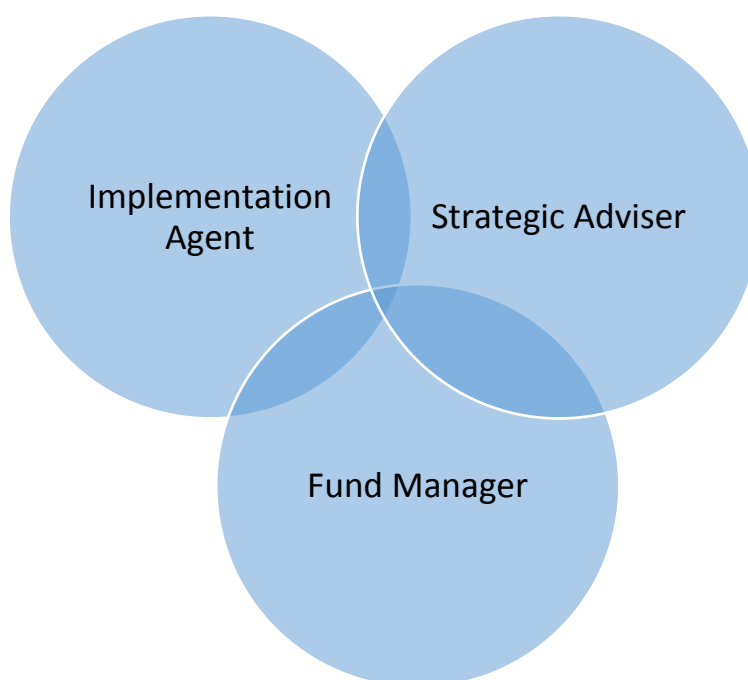
- 4.1 The actions outlined in this report relate to the identified risk of failing to exercise appropriate oversight over Border to Coast. However, as this report is for discussion there are no specific implications in terms of the score attached to that risk.

5 Background and Options

- 5.1 At a recent meeting of the Board officers were asked to produce a report setting out the arrangements for accountability in relation to Border to Coast as the operating company for the LGPS pool in which the Authority participates. Board members expressed a desire for greater clarity and understanding of the arrangements in place, and their role, if any, in those arrangements.
- 5.2 Before going into the detail of the arrangements in place and the specific roles of the different actors within those arrangements it is perhaps best to put the concept of accountability in context by expressing it in practical terms. In essence what we are seeking to explain is “how do we fire someone when something goes wrong?”
- 5.3 Simplistically prior to pooling SYPA could either pick a new external fund manager (as was done when the bond portfolio moved from Henderson to RLAM) or take a mandate in house. Should an internal manager have failed in some way the solution would either be to allocate the mandate to a different member of the internal team, or to externalise it. For funds that were managed entirely externally prior to pooling the single option of switching to a different manager was all that was available.
- 5.4 On one level if the issue is about a single mandate then the options remain the same, in effect change the manager either by switching to a different Border to Coast product (for example from an internally managed mandate to an externally managed one), or seek to influence the company with other investors to change the internal manager. However, our relationship with Border to Coast is not just about single investment mandates and SYPA wears “different hats” at different times in its relationship with Border to Coast.
- 5.5 At different times SYPA fulfils each of the following roles in relation to Border to Coast
- An investor in regulated products
 - A limited partner within un-regulated products (while in essence this is being an investor there are some important technical differences and rights have to be exercised in different ways)
 - A shareholder, which gives the Authority a vote in key decisions such as the approval of the Company’s budget and strategic plan.
- 5.6 Clearly there may be times when the roles of shareholder and investor come into conflict. For example, if the company made a trading error which caused loss to investors then under the relevant regulations and policies the company would have to

reimburse the relevant investors. Given the financial structure of the company this would represent a cost to the shareholders. Arguably the tension that this situation creates should make the company more aware of the potential issues caused by such situations and therefore seek to avoid them. However, in the real world it is simply not possible to eliminate such occurrences, even though we seek to minimise them.

- 5.7 Border to Coast have produced and makes publicly available a Governance Charter (included as an appendix to this report) which sets out the roles of the different players in the overall governance and oversight of the partnership which is available on the Company's website. This charter is subject to annual review and approval by the Joint Committee to reflect changes which occur as the Partnership develops and matures. What this emphasises is that Border to Coast is ultimately the expression of the wishes of the 12 partner funds, thus we are Border to Coast and Border to Coast is us, the existence of a company as a legal entity simply gives things a more concrete form.
- 5.8 While having properly documented sets of roles and responsibilities and a framework of rules is crucial to demonstrating good governance in practice any collaborative endeavour of this sort depends as much for its success on the relationships between the different parties and individuals and open and effective communication. Officers spend significant time seeking to manage the relationship both with Border to Coast as an organisation and with the other 11 partner funds. This seeks to ensure that the products that are developed meet the needs of SYPA to the greatest possible extent and that the current range of products is being managed effectively to deliver in line with expectations. This process of ongoing dialogue, which reflects strong relationships, is intended to ensure that SYPA has early warning of any issues and can then engage with the company to ensure that they are being addressed. This is a significantly enhanced version of the way oversight is generally exercised over external managers. However, we do need to recognise that Border to Coast is not just an external manager in terms of its relationship with SYPA and the diagram below seeks to set out the differing roles that the Company/Partnership play in relation to SYPA.

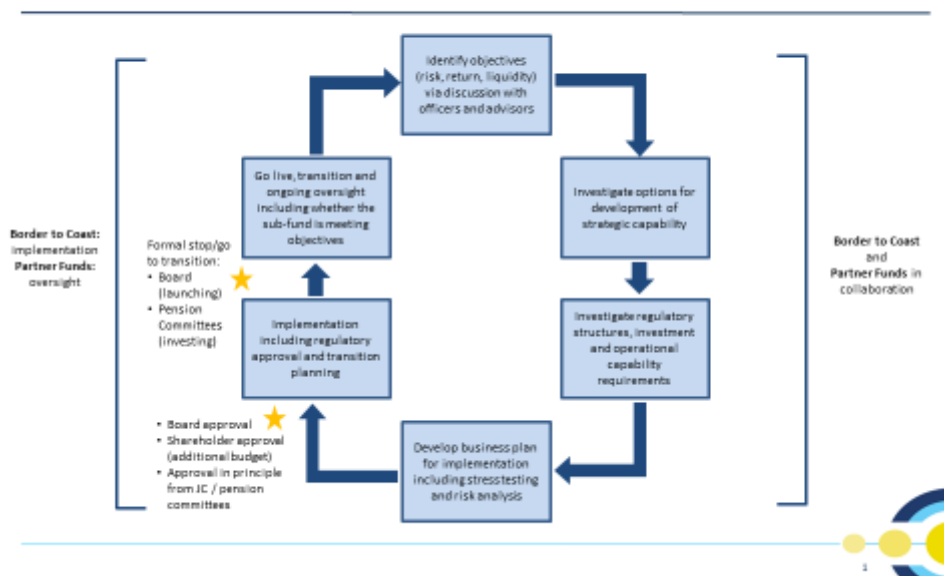


- 5.9 There is no fundamental conflict between these roles but the fact that Border to Coast is fulfilling all these roles does create specific risks for the Authority in terms of being

dependant on one organisation in so many ways and also presents challenges for Border to Coast in terms of being able to maintain capabilities across a diverse range of functions each of which has its own regulatory and “back office” requirements. In terms of the “concentration” risk for the Authority this is mitigated by ensuring that we do not rely on one source of advice so that we can take our own decisions having weighed advice from a number of sources. Given that pooling was explicitly intended to remove funds from the areas of implementation and fund management there is no option but to tolerate the concentration risk in these areas. It is also the case that as a Fund that was largely internally managed prior to pooling these “concentration” issues existed previously so in reality for SYPA there is perhaps less change than for other funds, although the greater number of individuals involved within Border to Coast could also act as a risk mitigant in this respect.

5.10 Any collaborative endeavour’s success is also highly dependent on the understanding and ability of the participants to compromise. The acceptance by the Authority of the fact that it needed to pool its assets as part of this initiative despite the likely medium term impact on costs was a major compromise and SYPA, together with other partner funds, will need to continue to compromise as the pooling process continues to develop and evolve. Managing the process of achieving consensus and acceptance of compromise means that the earlier stages of product development may well take somewhat longer than would be ideal but it does mean that all partner funds are then committed to the success of the product and therefore the process creates a stronger partnership. The diagram below sets out the process of product development.

A collaborative approach



5.11 During this process the lines of accountability are not for Border to Coast but for officers in the same way as they always were. In these areas SYPA’s scheme of delegation allows very wide scope to the Fund Director and Head of Investment Strategy. However, this scope has been and will continue to be exercised judiciously and a process has been arrived at where members of the Authority agree the principle of investment in a particular product subject to due diligence. In arriving at this decision

the Authority is in essence approving the broad product design and is supported in this by its Independent Advisers. At the next stage officers and the Independent Advisers consider the detailed due diligence information supplied by Border to Coast and if satisfactory a formal commitment to invest is made. This represents an appropriate division of duties between officers and members with the Independent Advisers providing appropriate checks and balances and providing a level of assurance to members of the Authority.

5.12 Border to Coast's ongoing performance is monitored within the Authority in a number of ways, listed below. It is, however, also important to bear in mind that the Company's senior management and Board owe duties to both shareholders and investors and therefore actively monitor activity, while in addition the depository has a role in protecting investor interests in relation to the various pooled vehicles.

- Through ongoing review of monthly and quarterly reports by officers and the independent advisers data from which then features in reports to the Authority. This data feeds both the investment performance reports and the Responsible Investment Update.
- Through oversight of the Company's overall performance by the Joint Committee on which SYPA is represented by its Chair.
- Through the regular dialogue between officers and the company.
- Through a formal annual review of the performance of SYPA's investments with the Company undertaken by the Investment Advisory Panel. This is similar to the process that would be undertaken with any external manager. The next of these meetings is currently scheduled for June and a formal annual review report following this will be presented to the Authority in September.
- Through regular presentations by Border to Coast to meetings of the Authority covering performance, product developments and other issues such as responsible investment.

5.13 Any of these particular aspects of the overall monitoring process could generate a "flag", or requirement for further action or escalation. This might be a request for further more detailed information or the need for a focussed discussion with senior management about the actions they propose to deal with a particular issue. Where necessary and appropriate the information resulting from such processes would be reported to the Authority, and in all cases a formal note of discussions and their conclusions is maintained.

5.14 The other area which the Board wished to discuss was its own role, if any, in the arrangements holding Border to Coast to account. Given the Board's role is specifically focussed on governance and compliance rather than actual decision making any role will be indirect. Fundamentally the Board will wish to be assured that the Authority has effective processes and controls in place which ensure that:

- Decisions to invest funds in specific products are made following an appropriate due diligence process (this would apply to any decision of this sort not just one involving Border to Coast).
- Arrangements are in place for the regular monitoring of performance, the identification of key issues.
- Arrangements exist to escalate and seek action on issues both on behalf of the Authority and in conjunction with other partner funds.

- That any arrangements or decision making processes operate with appropriate transparency.

5.15 Members of the Board are invited to discuss means by which they might gain such assurance in addition to review of key documents such as the Governance Charter and reports made to the Pensions Authority.

6 Implications

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

| | |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial | None this report is solely for discussion |
| Human Resources | None |
| ICT | None |
| Legal | The relationship with Border to Coast as a company is codified in a number of legal agreements on which the Authority received appropriate legal advice at the time. These agreements involve all 12 partner funds in addition to, in some cases, the Company. |
| Procurement | The legal structure created for Border to Coast reflects the Teckal provisions in procurement law meaning that Border to Coast as it is controlled by the collective of its local authority owners can be awarded work directly in the same way as an internal department. |

George Graham

Fund Director

| Background Papers | |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Document | Place of Inspection |
| Border to Coast Governance Charter | https://www.bordertocoast.org.uk/app/uploads/2019/03/Border-to-Coast-Governance-Charter-v1.0-13-3-19.pdf |

Governance Charter

Border to Coast Pensions Partnership



March 2019

Document Control

Version and Review History

| Version no. | Version Description | Approver | Date |
|-------------|----------------------------------------|--------------------|-----------------------------|
| V1.0 | Approved document following governance | Rachel Elwell, CEO | 13 th March 2019 |

Governance Approvals

| Approved By | Version | Date |
|---------------------|---------|---------|
| OOG | 0.5 | 13/6/18 |
| S151s | 0.6 | 27/6/18 |
| The Board | 0.3 | 24/5/18 |
| The Joint Committee | 0.7 | 11/3/19 |

Key Dates

| Event | Date |
|------------------|------------|
| Effective Date | 31/03/2019 |
| Next Review Date | 31/03/2020 |

Key Roles – Border to Coast Pensions Partnership Ltd

| Stakeholder | Role | Status |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------|
| Head of Legal and Company Secretary | Document owner responsible for the management and amendment process, along with ensuring implementation of the framework | Drafter |
| CEO | Review ongoing drafts to ensure completeness | Reviewer |
| Border to Coast Board | Approve the framework and any material alteration made thereafter | Approver |
| Border to Coast Staff | Informed of framework and manage delivery in practice | Informed |

Key Roles – Border to Coast Partner Funds

| Stakeholder | Role | Status |
|----------------------------------------------------|-------------------------------------------------------------------|----------|
| Officers Operations Group and Section 151 officers | Review ongoing drafts to ensure completeness | Reviewer |
| Joint Committee | Approve the framework and any material alteration made thereafter | Approver |
| Partner Fund Pension Committees | Approve the framework and any material alteration made thereafter | Approver |

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1. Introduction

Border to Coast Pensions Partnership (“the Pool”) has been formed to enable the pooling of assets of twelve Administering Authorities of the Local Government Pension Scheme (“Partner Funds”). In order to effect the pooling, the twelve Partner Funds have established an FCA-regulated operator of collective investment vehicles, which is also appointed as the Asset Manager for those vehicles. This company is Border to Coast Pensions Partnership Ltd (“Border to Coast”).

Border to Coast is wholly owned by the Partner Funds who are its customers and also shareholders.

The guiding principles set out by the Partner Funds have been reflected in the governance structure:

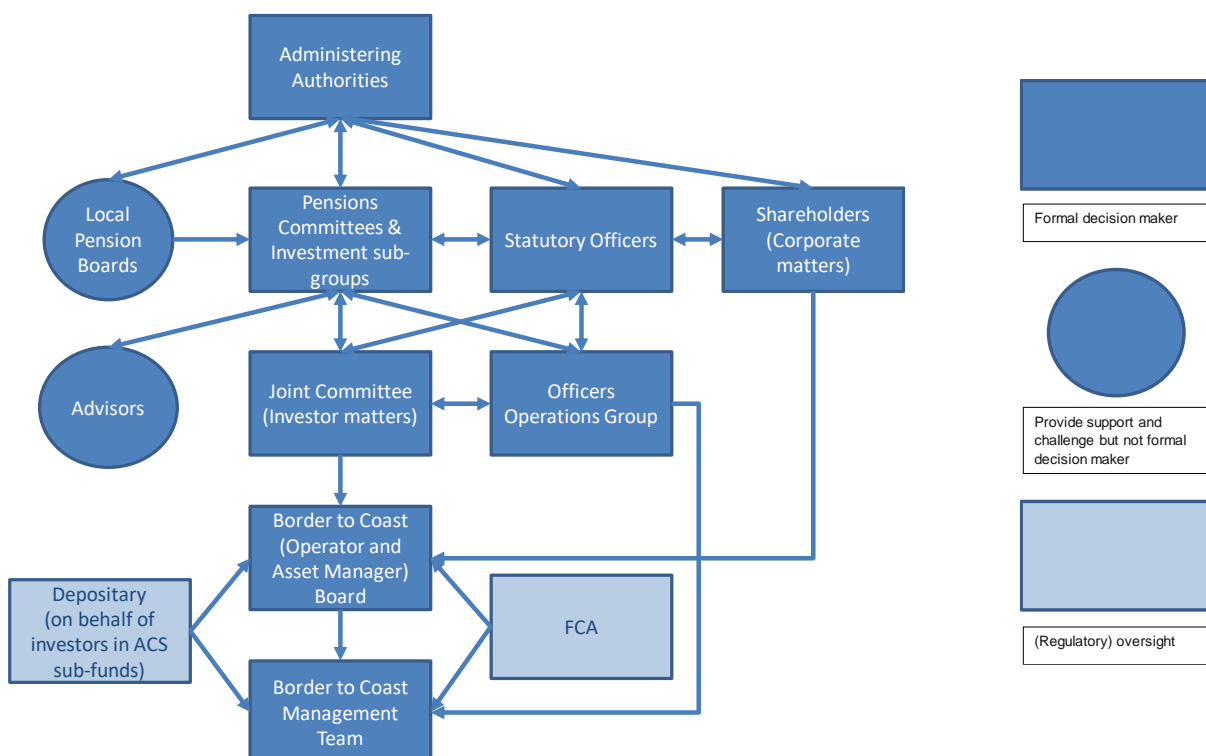
1. Meeting central Government’s aims for governance, responsible investing, infrastructure and value for money
2. One fund, one vote
3. Funds retaining governance role and ownership of asset allocation
4. Generating improved net-of-fees risk adjusted performance
5. Border to Coast internal management capability
6. Improved resilience and capacity over existing structures
7. A shared team in one location

Border to Coast’s investment performance and capability is overseen by the Partner Funds on a day to day basis by the Senior Fund Officers and formally on a quarterly basis by the Joint Committee, which is constituted of elected member representatives from each of the Partner Funds.

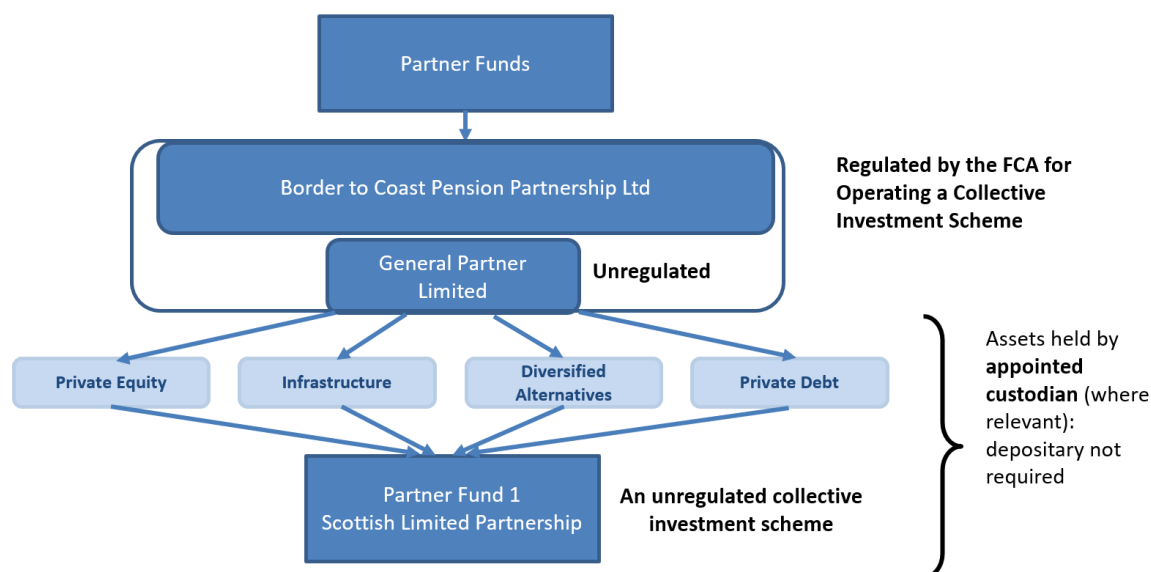
Border to Coast’s performance as a company is overseen by shareholder representatives from the twelve Administering Authorities of the Partner Funds both on an ongoing basis and formally once a year at its AGM.

The Partner Funds and Border to Coast work collaboratively to build the investment capabilities required to ensure that the Partner Funds are able to efficiently and effectively deliver their Strategic Asset Allocations in line with the guiding principles. However, in order to hold Border to Coast to account and to meet FCA requirements for a regulated asset manager, the governance structure is designed to ensure sufficient independence between the Partner Funds and Border to Coast during implementation and ongoing management of the sub-funds.

The diagram below shows the governance structure in place to ensure that appropriate oversight of Border to Coast is carried out both from a shareholder and an investor perspective.



It should be noted that the oversight of the Border to Coast private market structure differs from that of the Border to Coast Authorised Contractual Scheme (“ACS”) as set out in the diagram below (we have chosen to show one of the twelve GP/LP structures for simplicity):



1.1 Purpose of this Document

This “**Governance Charter**” is intended as a summary of the governance arrangements for the Pool, including capturing the structure and roles, responsibilities and authority of the following in relation to Border to Coast (as operator and asset manager):

- The Administering Authorities (section 3)
- The Pensions Committees (section 3)
- Advisors to Pensions Committees (section 3.1)
- Local Pension Boards (section 3.1)
- The Joint Committee (section 3.1)
- Officers Operations Group (section 3.1)
- Statutory Officers (including s151s and monitoring officers) (section 3.1)
- Shareholders (section 4)
- Border to Coast Board (section 5.1)
- Border to Coast Management Team (sections 3.2, 4.1 and 5.2)
- The FCA (section 5.3)
- The Depositary (in respect of regulated collective vehicles such as the ACS) (section 5.4)

The detailed provisions of the governance structure can be found in the following core documents:

- Border to Coast’s Articles of Association;
- the Shareholders’ Agreement; and
- the Inter Authority Agreement (establishing the BCPP Joint Committee and stating its Terms of Reference and Constitution and the Terms of Reference for the Officer Operations Group).

Additional provisions specific to particular investment sub-funds can be found in each sub-fund’s governing documentation (e.g. the ACS prospectus).

To the extent that these differ from the Charter, the underlying documents will be taken as correct.

1.2 Application

The Governance Charter is applicable to everyone within the Border to Coast Pensions Partnership and will be made available to all via the Border to Coast website. It will be reviewed annually by the Border to Coast Head of Legal and Company Secretary and the Officers Operations Group and updated as required to reflect any changes in governance arrangements in agreement with the Border to Coast Board, Joint Committee and Shareholders.

2. Border to Coast's Strategy

Border to Coast has been established by the Partner Funds to deliver the overall pooling agenda set out by central Government in 2015. LGPS pooling is intended to provide improved performance and investment outcomes to the participating funds and Border to Coast's strategic goal and objectives reflect this purpose.

Strategic Goals

Border to Coast's strategic goal is to make a positive difference to the investment outcomes of its partner Local Government Pension Funds through pooling to create a stronger voice; working in partnership to deliver cost effective, innovative and responsible investment now and in the future, thereby enabling great, sustainable performance.

This strategic goal will be achieved via the following three main objectives:

- 1. Strategy:** Delivering Border to Coast's strategy to deliver the benefits of pooling through the creation of a regulated asset manager in line with the guiding principles
- 2. Customer Outcomes:** (i) Putting customers at the heart of Border to Coast and delivering great service, and (ii) meeting customers' expectations of risk-adjusted investment return and performance
- 3. Governance:** Creating a sustainable organisation making efficient and effective decisions with appropriate oversight

The Board of Border to Coast is responsible for setting the strategic direction and objectives for Border to Coast to inform the annual strategic plan and budget for approval by the Shareholders. The Board has delegated the day-to-day management of Border to Coast in achieving these to the Border to Coast CEO, who in turn works with the Border to Coast Management Team to deliver to the Partner Funds (as both investors and shareholders). The responsibilities of the Border to Coast Board and Management team are considered further in section 5.

3. The Role of the Partner Funds as Investors

Each local Administering Authority acts as scheme manager for each Pension Fund, and so is responsible for investing and managing LGPS assets, setting employer contribution rates, collecting employer and employee contributions, paying pension benefits as they fall due, and dealing with various other aspects of administration.

The individual Administering Authority Pension Committees are ultimately responsible and publicly accountable for ensuring that the pension liabilities are appropriately funded and can be paid in accordance with LGPS regulations as they fall due. Specifically, with respect to investment matters, this includes:

- Setting funding and risk management strategies;
- Formulating investment strategy in line with the Investment Strategy Statement, including the approach to Responsible Investment and management of cashflow requirements;
- Complying with Regulations which require the Committee to take advice in determining the Fund's investment policy and making investment decisions;
- Overseeing that asset managers, to whom the delegation of day-to-day investment matters is made, follow the Committee's policies and that investment strategy is implemented in accordance with the Investment Strategy Statement; and
- Approving and monitoring performance targets for the Pension Fund.

To enable the Partner Funds (as investors) to effectively and efficiently implement their investment strategy, Border to Coast, in partnership and working closely with the Partner Funds, is responsible for designing sub-funds with certain risk / return / liquidity characteristics that will provide the strategic "building blocks".

Once the design is agreed, Border to Coast becomes the asset manager responsible for tactical matters such as implementation and ongoing management of each sub-fund, management of internal investment capability, appointment and oversight of external managers, implementation of responsible investment (voting and engagement) policy, and tactical asset allocation within risk parameters agreed with the Partner Funds.

The Partner Funds are responsible for the review of whether the built sub-fund meets their strategic needs and, under their fiduciary duties, will review Border to Coast's capability to deliver the objectives.

The Partner Funds then collectively oversee the performance of Border to Coast as described below. In order to ensure that Border to Coast can be effectively held to account, it is important there is an appropriate degree of separation of duties on implementation of day-to-day business between Border to Coast and Partner Funds. The strategies to ensure this are detailed in this Governance Charter.

3.1 Governance Structures supporting the Pensions Committees

The following groups and individuals support the Pensions Committees in working with and overseeing Border to Coast:

- **Joint Committee** is constituted from the 12 Pension Fund Chairs and has met as required to date but plans to meet quarterly now that Border to Coast is established and functioning. It is the collaborative vehicle through which the individual Partner Funds provide collective oversight of the performance and direction of Border to Coast. Its remit includes oversight of progress towards the pooling of Partner Fund assets.

As a Section 102 Committee¹, there are agreed Terms of Reference (see Appendix I to this Charter) and as meetings are held as public meetings they are operated and reported as is required. It should be noted that the Joint Committee does not have any formally delegated authority, and therefore any matters requiring decision must be considered and approved by each Pension Committee.

The Chair and Vice Chair of the Joint Committee are elected by the members of the Joint Committee on an annual basis. Secretariat functions to support the Joint Committee are provided through South Yorkshire Pensions Authority. Tyne & Wear Pension Fund act as host authority for all other matters.

- **Officer Groups** – The Joint Committee is supported by the respective Authority s151 and Monitoring Officers and the Officer Operations Group (“OOG”), constituted from the 12 Senior Pension Fund Officers. These groups meet to discuss issues and give input to both Elected Members and Border to Coast as required. It is anticipated that the OOG will meet monthly going forward, part of the meeting being attended by Border to Coast, part in closed session. The Officer Operations Group work collaboratively together to ensure that due diligence over Border to Coast investment capabilities is carried out effectively on behalf of the Pension Committees.
- **Local Pension Boards** – in line with their role in other administrative and governance matters, the local pension boards provide support and challenge to the Pension Committee's decisions and decision-making process in relevant investment areas, and look to ensure appropriate governance is in place to provide effective monitoring.
- **Advisors** – Regulations require that Pension Funds take professional advice in respect of any investment decisions, and this is generally provided through Funds appointing Independent Investment Advisors and/or Investment Consultants. They will work with the Pension Committee and Officers to ensure that the strategic asset allocation can be effectively implemented through the use of the sub-funds available at Border to Coast.

¹ A Committee established under section 102(1) of the Local Government Act 1972 (LGA), which permits local authorities to discharge their functions through committees.

3.2 Investor interaction with Border to Coast

In order to enable the appropriate scrutiny of Border to Coast by the Joint Committee and, ultimately, the individual Pensions Committees, Border to Coast has committed to provide the following support and materials, developed in collaboration with the Partner Funds:

| What | To Whom** | Frequency |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------------|
| Update on progress through longer-term transition to pooling (NB ongoing discussions with officers during this period) | Joint Committee and Pensions Committees | Quarterly |
| Performance reporting (generic and Partner Fund specific) | Joint Committee and Pensions Committees | Quarterly |
| Attendance* at Joint Committee meetings by the CEO and Chair (and other officers as required) | Joint Committee | Quarterly |
| Membership of Joint Committee (on a co-opted and non-voting basis) of the shareholder nominated non-executive directors | Joint Committee | Quarterly |
| Attendance* at Partner Fund Pension Committee meetings by a Border to Coast Client Relationship Team representative (and other officers as appropriate) | Pensions Committees | Quarterly |
| Organisation of calls with s151 officers by the CEO | S151 officers | Quarterly or as required |
| Attendance* at the OOG by Border to Coast officers | OOG | Monthly or as required |
| Provision of monthly management accounting information | OOG | Monthly |
| Organisation of an investment conference for all Pool stakeholders | All stakeholders | Annually |
| Invitation for all Pension Committees to hold a meeting at Border to Coast's offices to meet the team and hear presentations | Pensions Committees | Annually or as required |
| Facilitation of collaborative workshops to enable the build of strategic capability including development of investment capabilities, client reporting and approach to transition management | OOG | Ad hoc (as required) |
| Facilitation of sessions to enable Pension Committee advisors to input to and challenge | Advisors (and OOG as appropriate) | Ad hoc (as required) |
| Provision of due diligence information to support the review by officers and advisors of the launch of new investment sub-funds | OOG and Advisors | Ad hoc (as required) |

* "Attendance" includes preparation and presentation of ad hoc reports as required

** OOG includes officers working separately and working parties with attendees nominated by OOG

To support the Partner Funds, Border to Coast has appointed a Client Relationship Team with experience in pensions investment and asset management. Their role is to:

- Provide a single point of contact for Partner Funds to access the investment capabilities of Border to Coast, including access to underlying asset managers
- Ensure that Partner Fund requests and requirements are appropriately serviced, including that reporting needs are serviced in line with agreed Service Level Agreements
- Support the Partner Funds in meeting their training needs with respect to investment
- Understand and represent the Partner Funds in internal Border to Coast meetings to ensure that customer needs are reflected in all decision-making processes
- Provide a first port of call for the resolution of any concerns or queries

Whilst we expect most issues will be able to be addressed via day-to-day interactions, there is also a formal complaints procedure, which is provided to all investors.

4. The Role of the Partner Funds as Shareholders

Each Partner Fund also has the right to exercise corporate control and oversight through its Administering Authority's ownership of Border to Coast as an equal shareholder. Each Partner Fund, as shareholder, owns a single equity voting share, and through the exercise of its voting rights across a range of reserved matters demonstrates its exercise of "significant control" as required under "teckal"².

In general shareholders' role in the governance of a company is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place within the company. In the case of the Border to Coast, shareholders also retain certain rights under a Shareholder Agreement entered into by all shareholders at the time of its incorporation, including approval of the annual Strategic Plan (including annual Budget, cash flow, balance sheet, cost sharing, regulatory capital assessment), Company pensions provision, admission of new shareholders and cost sharing. The matters reserved to shareholders are set out in Appendix II.

Border to Coast Board has also invited the Joint Committee to nominate two members to the Board, who can broadly be said to provide a shareholder perspective on the operation of the Company.

As noted in the advice provided to the Partner Funds by [Eversheds in January 2017](#), a shareholder representative must be nominated (as the Administering Authority cannot physically appear at a Company's shareholder meeting). Further, "such a person is representing the Administering Authority and acting on instructions from the Authority. It does not therefore matter legally whether that person is a member or an officer since no delegated powers are being exercised."

Eversheds also advised that ordinarily conflicts of interest were not expected to arise between the customer and shareholder roles. It was therefore possible in the ordinary course of events for the same representative to hold both shareholder and Joint Committee roles. However, Eversheds did recommend that each Administering Authority may wish to have a conflicts of interest policy in place.

4.1 Shareholder interaction with Border to Coast

The shareholders carry out their duties under the Shareholder Agreement typically by written resolution, with advice from the section 151 and monitoring officers as deemed appropriate for each Partner Fund. It should be noted that these written notifications of consent to actions made under the Shareholder Agreement are to comply with the terms of that Agreement and are not resolutions of the Company made under the Articles of Association which would require shareholder votes in General Meeting or in accordance with the Articles. These regimes operate alongside one another.

In addition, it is envisaged that Border to Coast will hold an Annual General Meeting to provide the shareholders with a forum for discussion about the Company's performance against the wider pooling objectives and to hold the Border to Coast directors to account for this. This would also provide a forum for discussion regarding future strategic capability build and agreement for changes to the budget to support such developments.

The primary Border to Coast contact for shareholders will be with the Chair, CEO and COO.

5. Border to Coast's Governance Structure

Border to Coast's Board is committed to maintaining high standards of corporate governance and believes that a sound corporate governance framework enables efficient and effective decision making with clear accountabilities, contributing to achieving the Company's objectives and delivering long-term and sustainable value to its customers and shareholders. The Board's intention is to achieve general adherence to the UK Corporate Governance Code³ ("the Code"), notwithstanding business size and closed shareholding.

² <http://www.cipfa.org/policy-and-guidance/articles/teckal-the-basics-explained>

³ [UK Corporate Governance Code July 2018](#)

The responsibilities of the Board include promoting the long-term sustainable success of the Company, establishing the Company's purpose, values and strategy and satisfying itself that these, and its culture, are aligned. The Board must provide the leadership, and ensure that the necessary resources are in place, to put these objectives into effect; supervising the management of the business; and reporting to shareholders on their stewardship. In addition, the Board should ensure effective engagement with, and encourage participation from, its shareholders and other stakeholders. The Board's actions are subject to laws, regulations and the direction of the shareholders whose role in governance is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place.

5.1 The Role of the Board

The Board is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs, having due regards to its shareholders, customers and other stakeholders.

The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed. The Board sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews management performance. The Board sets the Company's values and standards and ensures that its obligations to its shareholders, customers and other stakeholders are understood and met.

In carrying out these responsibilities, the Board must have regards to what is appropriate for the Company's business and reputation, the materiality of the financial and other risks inherent in the business and the relevant costs and benefits of implementing specific controls.

The Board should be comprised of suitably skilled and experienced individuals who collectively have sufficient knowledge and understanding of all the Company's markets and products to be able to discharge all their responsibilities in an effective, efficient and compliant manner.

The relevant laws, regulations and the Code all impose duties on the Directors of the Company, as set out in Appendix III to this Governance Charter.

Within the Board, the roles of Chairman and Chief Executive Officer are distinct, but they complement each other. The Code states that the Chairman is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role. The CEO's role is to ensure appropriate day-to-day management of the Company in line with the Board's strategy (see section 5.2 below).

In addition to the general requirements for all Directors, the Company Non-Executive Directors provide:

- Constructive challenge and contribute to the development of strategy;
- Scrutiny of the performance of management in meeting agreed goals and objectives;
- Monitoring of performance; and
- Review that financial information is accurate and that financial controls and systems of risk management are robust.

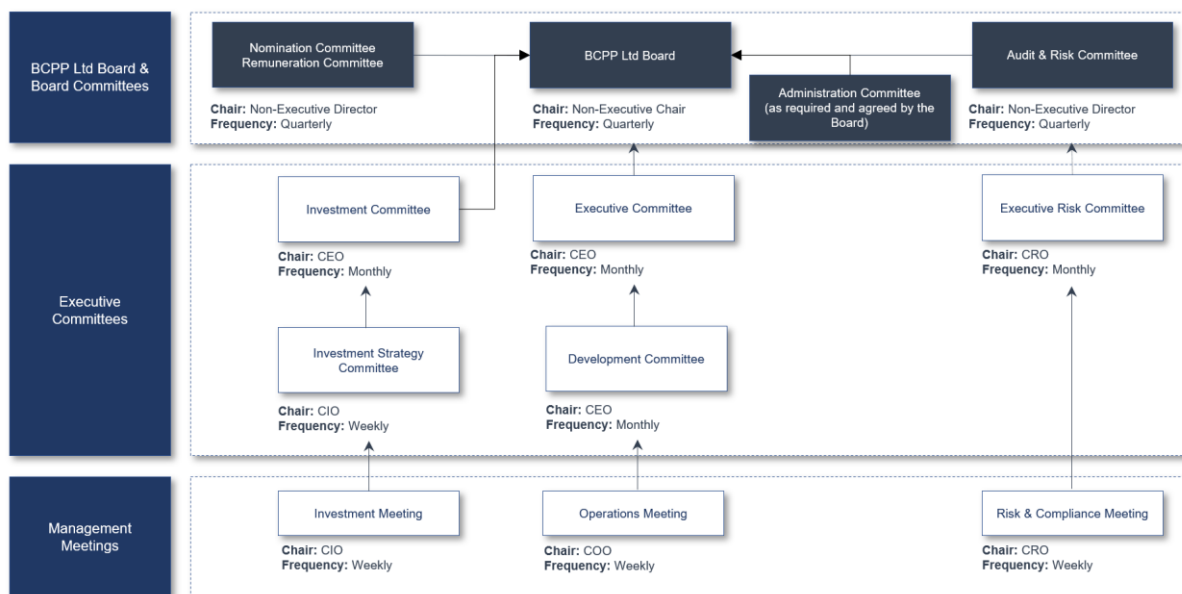
NEDs are also responsible for recommending for approval by the Shareholders appropriate levels of remuneration of Executive Directors and have a prime role in succession planning, appointing, and where necessary removing, senior management.

The Company has sought to include representation from its Shareholders and Partner Funds on the Board. The Partner Funds (via the Joint Committee) have nominated two individuals to act as full Board Members. They are obliged to conduct themselves in the same way as all members of the Board and as described above.

5.2 The Role of the Border to Coast Management Team

The Board has delegated to the Chief Executive Officer the management of the Company on a day-to-day basis, subject always to those matters reserved for decision by the Board or its committees.

The Chief Executive Officer has in turn delegated certain of her responsibilities to her direct reports. A number of committees have been created to assist the Chief Executive Officer in her decision-making or to monitor certain activities. The management and chairing of certain committees have been delegated to certain of her direct reports as shown in the governance chart below.



The Chief Executive Officer reports regularly to the Chairman and the Board with appropriate, timely and quality information so that it can discharge its responsibilities effectively. Her specific responsibilities include the following:

- Strategy and Business Planning
- Leadership and Corporate Governance
- Human Resources
- Pensions
- Risk Management and Controls
- Finance
- Customer Services, Conduct Risk Management and Treating Customers Fairly
- Communications and Shareholder Liaison
- Investment Management

5.3 The Role of the Regulator

Border to Coast is approved and regulated by the Financial Conduct Authority as an Alternative Investment Fund Manager. This means the Company and its employees must meet certain standards of conduct in the operation of its business. These requirements are set out in Appendix III. The Regulator may carry out investigations if it believes that an organisation is not meeting the appropriate standards. It has wide-ranging powers of intervention and sanction.

5.4 The Role of the Depositary

In a regulated collective investment vehicle such as the Border to Coast ACS, a depositary is appointed to act on behalf of investors. Northern Trust has been appointed as the depositary for the Border to Coast ACS. Its duties include:

- Safeguarding assets of the authorised fund via its custody services or utilising a sub-custodian
- Oversight of manager's activities e.g. unit pricing, dealing, portfolio management
- Oversight of how the manager is discharging its responsibilities
- Cash flow / liquidity oversight
- Distributions
- Protecting the best interests of investors
- Reporting breaches of FCA guidance to the FCA (including any due diligence findings).

Appendix I: Terms of Reference of the BCPP Joint Committee

1. The primary purpose of the Joint Committee is to exercise oversight over investment performance of the collective investment vehicles comprised in the BCPP Pool.
2. The Joint Committee will provide effective engagement with the Authorities as the BCPP Pool vehicles are established and ultimately operated. It will encourage best practice, operate on the basis that all partners have an equal say and promote transparency and accountability to each Authority.

The remit of the Joint Committee is:

- 2.1. First phase – Period to April 2018 or operational commencement of the BCPP Pool (whichever is the later)
 - 2.1.1. To provide support and guidance to the work being undertaken by the Officer Operations Group to give effect to the pooling arrangements.
 - 2.1.2. To consider issues and provide feedback on relevant proposals as they are developed, ensuring effective engagement with the Authorities to scrutinise and monitor project management arrangements and proposals for the appointment of advisers by the Authorities.
 - 2.1.3. To oversee costs to deliver the BCPP Pool, obtaining approval from individual Authorities where necessary.
 - 2.1.4. To monitor and scrutinise responsibilities for delivery of the project and relevant support arrangements.
 - 2.1.5. To oversee and provide feedback on positions and conclusions deriving from work streams adopted by the Officer Operations Group.
 - 2.1.6. To formulate processes and policies for the appointment and termination of membership to the Joint Committee.
 - 2.1.7. To propose and confirm contracts and policies required by the Authorities to commence transition to the BCPP Pool arrangements.
 - 2.1.8. To provide support and guidance to the work being undertaken by the Officer Operations Group to do all things necessary to implement the final proposal, including preparatory work for asset transition.
 - 2.1.9. To consider the initial range of sub-funds to be provided by the ACS and to make recommendations to the BCPP Board for the creation of those sub-funds.
 - 2.1.10. To review and comment on the draft ACS prospectus and supporting documents on behalf of the Authorities prior to the Financial Conduct Authority approval.
- 2.2. Phase 2 – Post Establishment and Commencement of Operations
 - 2.2.1. To facilitate the adoption by the Authorities of relevant contracts and policies.
 - 2.2.2. To consider requests for the creation of additional ACS sub-funds (or new collective investment vehicles) and to make recommendations to the BCPP Board as to the creation of additional sub-funds (or new collective investment vehicles).
 - 2.2.3. To consider from time to time the range of sub-funds offered and to make recommendations as to the winding up and transfer of sub-funds to the BCPP Board.
 - 2.2.4. To review and comment on the draft application form for each additional individual ACS sub-fund on behalf of the Authorities prior to the Financial Conduct approval (or the draft contractual documents for any new collective investment vehicle).
 - 2.2.5. To formulate and propose any common voting policy for adoption by the Authorities and to review and comment on any central policy adopted by BCPP.
 - 2.2.6. To formulate and propose any common ESG/RI policy for adoption by the Authorities and to review and comment on any central policy adopted by BCPP.
 - 2.2.7. To formulate and propose any common conflicts policy for adoption by the Authorities and to review and comment on any central policy adopted by BCPP.

- 2.2.8. To agree on behalf of the Authorities high level transition plans on behalf of the Authorities for approval by the Authorities for the transfer of BCPP assets.
- 2.2.9. To oversee performance of the BCPP Pool as a whole and of individual sub-funds by receiving reports from the BCPP Board and taking advice from the Officer Operations Group on those reports along with any external investment advice that it deems necessary.
- 2.2.10. To employ, through a host authority, any professional advisor that the Joint Committee deems necessary to secure the proper performance of their duties.

Appendix II: Schedule of Matters Reserved for Decision by the Shareholders

PART A – Matters for approval by all of the Shareholders (unanimous consent required)

1. subject to FCA rules, extend the activities of the Company outside the scope of the Business or close down any operation of the Business;
2. subject to FCA rules, give any guarantee or indemnity outside the ordinary course of the Business to secure the liabilities of any person or assume the obligations of any person (other than a wholly owned subsidiary) (e.g. guaranteeing a lease that does not relate to the Business of the Company);
3. subject to FCA rules, enter into or vary any contracts or arrangements with any of the Shareholders or directors (other than service agreements and letters of appointment as directors) or any person with whom any shareholder or director is connected (whether as director, consultant, shareholder or otherwise) (e.g. any contract which could give preferential rights to a specific shareholder);
4. enter into any agreement not in the ordinary course of the Business and/or which is not on an arm's length basis;
5. enter into or vary any agreement for the provision of consultancy, management or other services by any person which will, or is likely to result in, the Company being managed otherwise than by its directors;
6. change the name of the Company;
7. pass a resolution or present a petition to wind up the Company or apply for an administration order or any order having similar effect in a different jurisdiction in relation to the Company unless in any case the Company is at the relevant time unable to pay its debts within the meaning of section 123 Insolvency Act 1986;
8. reduce or cancel any share capital of the Company, purchase its own shares, hold any shares in treasury, allot or agree to allot, whether actually or contingently, any of the share capital of the Company or any security of the Company convertible into share capital, grant any options or other rights to subscribe for or to convert any security into shares of the Company or alter the classification of any part of the share capital of the Company (in each case other than as expressly permitted by this Agreement and/or the Articles where no prior consent shall be required including, without limitation, pursuant to either **clause 4 (Finance & Regulatory Capital)** and/or **clause** Error! Reference source not found. **(Consequences of Breach)** and/or **Article 26** of the Articles **(Issue of Shares and Pre-Emption Rights)**);
9. other than as expressly permitted by this Agreement and/or the Articles, redeem or buy any existing Shares or otherwise reorganise the share capital of the Company;
10. admit any person as a member of the Company or an investor in the BCPP pool;
11. enter into any partnership, joint venture or profit sharing arrangement with any person (excluding entering into any investment or investment vehicle);
12. alter any of the provisions of the Articles or any of the rights attaching to the Shares;
13. amalgamate or merge with any other company or business undertaking;
14. sell, lease (as lessor), license (as licensor), transfer or otherwise dispose of any of its material assets otherwise than in the ordinary course of the Business;
15. the removal and replacement of any Interim Directors, but for the avoidance of doubt not including any subsequent or replacement appointments of any director which shall be made under Part B below;
16. commence, settle or defend any claim, proceedings or other litigation brought by or against BCPP, except (i) in relation to debt collection (not exceeding £500,000) in the ordinary course of the Business and (ii) in relation to any investment related claims or proceedings relevant to the ACS or other collective investment vehicles;

17. take out any third party loan(s) in respect of BCPP which (in aggregate) exceed the sum of £5,000,000;
18. form any subsidiary of BCPP, or acquire any shares in any other company, whether through subscription or transfer, such that the company concerned becomes a subsidiary of BCPP;
19. determine the composition, governance arrangements and limits of authority of any and all subsidiaries of BCPP;
20. approving and adopting an Initial Strategic Plan (including the Annual Budget) and/or amending any such Plan; and
21. make any capitalisation, repayment or other distribution of any amount standing to the credit of any reserve of the Company or pay or declare any dividend or other distribution to the Shareholders save that no consent will be required to pay the B Share Dividend.

PART B – Matters for approval by a Shareholder Majority only

1. enter into or materially vary any licence or other similar agreement relating to intellectual property to be licensed to or by the Company which is otherwise than in the ordinary course of the Business;
2. appoint or remove the auditors of the Company;
3. alter the Company's accounting reference date;
4. make any significant change to any of the Company's accounting or reporting practices other than conforming with any changes made to the accounting standards adopted by the Company;
5. approve the annual accounts of the Company;
6. determine the amount of, or any increase in, remuneration payable to any directors from time to time;
7. establish or amend any pension scheme (i.e. for employees of the Company);
8. subject to FCA rules, enter into any agency, distribution or similar agreement which confers or is expressed to confer any element of exclusivity as regards any goods or services the subject of such agreement or as to the area of the agreement or vary such an agreement to include any such exclusivity;
9. incur in any financial year any item or series of items of capital expenditure including finance leases (but excluding operating leases) of more than £5,000,000 (unless provided for in the Initial Strategic Plan or any Subsequent Strategic Plan);
10. enter into or vary any operating lease either as lessor or lessee, of any plant, property or equipment of a duration exceeding 5 years or involving aggregate premium and annual rental payments in excess of £100,000 (unless provided for in the Initial Strategic Plan or any Subsequent Strategic Plan);
11. adoption of (and any amendment of) any written conflicts policy;
12. approval of any conflict or potential conflict of interest any director may have which would preclude him or her from being included in the quorum of any meeting of the directors;
13. appointment of any subsequent director, any alternate director (who is not at the time a director of the Company) and including, for the avoidance of doubt any subsequent Chair in accordance with the Companies Act 2006 or otherwise;
14. removal of any director and, for the avoidance of doubt, the Chair in accordance with the Companies Act 2006 or otherwise; and
15. approving and adopting a Subsequent Strategic Plan (including the Annual Budget) and/or amending any such Plan.

Appendix III: Legal and Regulatory Duties of the Board

Border to Coast's Regulator

As an asset management company, Border to Coast is regulated by the Financial Conduct Authority ("FCA").

Border to Coast Directors are "approved persons" (and at a future date will hold Senior Management Functions / Controlled Functions under the Senior Management Regime ("SMR")) for regulatory purposes and are required to act in accordance with the principles issued by the FCA.

The FCA requires Directors and senior managers to take appropriate practical responsibility for all matters likely to be of interest to the FCA and expects the Board to:

- Determine the Company's strategy and risk appetite;
- Identify and assess risks, implement controls and monitor how the controls are operating;
- Have reporting lines that are clear and appropriate, with the extent and limits of delegation made clear to all concerned; and
- Have regard to such generally accepted principles of good governance as it is reasonable to regard as applicable to it.

Further guidance can be found in the [FCA's handbook](#).

The FCA's Principles of Business

Border to Coast's Directors are responsible for the governance and oversight of the Company in relation to the [11 FCA Principles of Business](#):

| | |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Integrity | A firm must conduct its business with integrity. |
| 2 Skill, care and diligence | A firm must conduct its business with due skill, care and diligence. |
| 3 Management and control | A firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems. |
| 4 Financial prudence | A firm must maintain adequate financial resources. |
| 5 Market conduct | A firm must observe proper standards of market conduct. |
| 6 Customers' interests | A firm must pay due regard to the interests of its customers and treat them fairly. |
| 7 Communications with clients | A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading. |
| 8 Conflicts of interest | A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client. |
| 9 Customers: relationships of trust | A firm must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgment. |
| 10 Clients' assets | A firm must arrange adequate protection for clients' assets when it is responsible for them. |
| 11 Relations with regulators | A firm must deal with its regulators in an open and cooperative way, and must disclose to the appropriate regulator appropriately anything relating to the firm of which that regulator would reasonably expect notice. |

The Company operates its business in accordance with standards outlined above. The Head of Legal and Company Secretary and the Compliance function support the Board in fulfilling its responsibility for the governance and oversight of the Company in relation to the above FCA Principles of Business.

Duties under the Companies Act 2006

[The UK Companies Act 2006](#) requires a Director to display possession of the knowledge, skill and experience that may reasonably be expected of a person carrying out the role. It also codifies the following Directors' duties into law:

- To act within powers;
- To promote the success of the company for the benefit of its shareholders;
- To exercise independent judgment;
- To exercise reasonable care, skill and diligence;
- To avoid conflicts of interest;
- Not to accept benefits from third parties; and
- To declare interests in proposed transactions or arrangements.

Duty two requires Directors to have regard (amongst other matters) to the likely consequences of any decision in the long-term, the interests of employees, the need to foster relationships with customers, suppliers and others, the impact of operations on the community and the environment, the desirability of maintaining a reputation for high standards of business conduct and the need to act fairly as between shareholders. The government has stated that promoting success means striving for a "long term increase in value".

The conflict of interest provisions require Directors to avoid profiting from their position as a Director on an opportunistic basis and apply to exploiting an opportunity, property or information even when the company could not take advantage of it.

Individual Conduct Rules and Standards

Directors who hold Senior Management Functions / Controlled Functions are also subject to the [FCA's Code of Conduct](#). As such they are subject to the following individual conduct rules and standards:

- Rule 1: You must act with integrity.
- Rule 2: You must act with due skill, care and diligence.
- Rule 3: You must be open and cooperative with the FCA, the PRA and other regulators.
- Rule 4: You must pay due regard to the interests of customers and treat them fairly.
- Rule 5: You must observe proper standards of market conduct.

In addition to the above Conduct Rules, those Directors who hold certain specific SMR Functions / Controlled Functions are subject to the following additional FCA Conduct Rules:

- SC1: You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively.
- SC2: You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with the relevant requirements and standards of the regulatory system.
- SC3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively.
- SC4: You must disclose appropriately any information of which the FCA or PRA would reasonably expect notice.

The Nolan Principles: the seven principles of public life

The Nolan Principles⁴ are the basis of the ethical standards expected of public office holders. This includes people who are elected or appointed to public office and all people appointed to work in public bodies such as the civil service; local government; the police; the courts and probation services; non-departmental public bodies; and health, education, social and care services. The principles also apply to all those in other sectors that deliver public services.

The principles are Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty; and Leadership.

The Board expects all representatives of Border to Coast to abide by these principles.

⁴⁴ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

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| | | | |
|-----------------------------------|------------------------------------------------|---------------|------------------|
| Subject | Consultation and Communication Strategy | Status | For Publication |
| Report to | Local Pension Board | Date | 13 February 2020 |
| Report of | Head of Pensions Administration | | |
| Equality Impact Assessment | Not Required | Attached | No |
| Contact Officer | Jason Bailey | Phone | 01226 772954 |
| E Mail | JBailey@sypa.org.uk | | |

1 **Purpose of the Report**

- 1.1 To provide the Board with the opportunity to comment on the updated Consultation and Communication Strategy
-

2 **Recommendations**

- 2.1 Members are recommended to:
- a. Comment on the draft Consultation and Communication Strategy.**
-

3 **Link to Corporate Objectives**

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

Customer Focus

To design our services around the needs of our customers (whether scheme members or employers). The Strategy sets out how we will communicate with our customers.

Listening to our stakeholders

To ensure that stakeholders' views are heard within our decision making processes. Members of the Board as well as employers and Focus Group members are invited to comment on the draft Strategy.

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times. The provision of a Communication strategy is a statutory requirement.

4 **Implications for the Corporate Risk Register**

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

5 Background and Options

- 5.1 Regulation 61 of the LGPS Regulations 2013 (as amended) sets out that an administering authority must prepare, maintain and publish a written statement setting out its policy concerning communications with members and their representatives, prospective members and scheme employers.
- 5.2 The legislation requires that the statement must set out its policy on:
- a) the provision of information and publicity about the scheme
 - b) the format, frequency and method of distributing such information or publicity
 - c) the promotion of the scheme to members and employers
- 5.3 SYPA meets these requirements through the Consultation and Communication Strategy which was first published in 2009 and is reviewed periodically.
- 5.4 The Strategy has been updated to reflect the move towards digital communications and interactions with members as well as to recognise the creation of the Customer Centre. It is attached as **Appendix A**.
- 5.5 The Strategy has been issued to the scheme members who make up the Focus Group for comments as well as to employers in the Fund. No comments have been made by employers to date but the comments made by the Focus Group are shown below.
- I think it is an excellent document and I am happy with the document as it stands.
 - It is clear that some work has gone into the document, and it is written so that we retired members can understand (most of) it. Good luck with it.
 - I know updating a document must be a chore, but it is surprising how often such docs get stuck in a cupboard and forgotten about. The fact that you have dusted it off and made minor changes, gives me, as a pensioner member of "our" scheme, great confidence in the effective management of the organisation.
 - The Consultation and Communication Strategy is comprehensive, clear and uses plain language. It would be useful to review it in 6 months and 12 months to test that your actual communications are aligned to your strategy. A stakeholder survey would be a good way to do this. I particularly like that you don't use acronyms in the strategy document.
 - I have read the document and feel no comments are necessary as i understood all the text and content and really cannot see how it could be improved without being extremely pedantic. Well done.
 - Having perused the draft, I conclude that it is comprehensive in its format and content, and should continue to inspire the memberships' confidence in the SYPA.
 - This document seems fine. Just a suggestion, apologies if I have missed it, but as this is the Communications Strategy perhaps including some contact details somewhere might be useful?
 - As usual, I am impressed by how much information you manage to contain in a relatively short document, and by how concisely it is, on the whole, presented. I would recommend that you consider these additional points which are all cosmetic, but I accept that I'm a bit of a pedant as far as the English language is concerned. I do acknowledge, however, that what matters is that your readers should understand what is being said however it is expressed. Good luck with all of this, and I look forward to receiving the final version.

- The information is clear and succinct and actually has highlighted a couple of points which had slipped my memory. I was also wondering if this communication had stopped so good news that it hasn't.

5.6 Members of the Board are invited to comment on the Strategy prior to submission for approval by the Authority.

6 Implications

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

| | |
|-----------------|------|
| Financial | None |
| Human Resources | None |
| ICT | None |
| Legal | None |
| Procurement | None |

Jason Bailey

Head of Pensions Administration

| Background Papers | |
|--------------------------|----------------------------|
| Document | Place of Inspection |
| | |

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Consultation & Communication Strategy

January 2020

Consultation & Communication Strategy

What we are here for and what we need to do to achieve it

Our mission, or what SYPA as an organisation is here for is

“To deliver a sustainable and cost effective pension scheme for members and employers in South Yorkshire delivering high levels of customer service and strong investment returns which facilitate stable contributions.”

We only exist because of our customers and given that we only do one thing, run the pension scheme, we owe it to them to provide the best possible performance while maintaining costs within reasonable levels.

In order to achieve this mission there are a number of things we need to do, namely our objectives, which are:

Customer Focus

to design our services around the needs of our customers (whether scheme members or employers).

Listening to our stakeholders

to ensure that stakeholders' views are heard within our decision making processes.

Investment Returns

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

Responsible Investment

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

Effective and Transparent Governance

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

Valuing and engaging our Employees

to ensure that all our employees are able to develop a career with SYPA and are actively engaged in improving our services.

The achievement of our Mission and objectives will require the fulfilment of the respective responsibilities of the elected Members of the Pensions Authority and its officers.

In relation to consultation and communication, we both have responsibilities which contribute to the delivery of an improved service in this area. We intend to consult and communicate with all our stakeholders as set out in the document, and use those results to review our service delivery on a yearly basis.

The aim of this document is to explain our consultation and communication strategy, the various ways in which we consult and communicate, why and what happens with the results.



George Graham
Fund Director
South Yorkshire Pensions Authority



Cllr M Stowe
Chair
South Yorkshire Pensions Authority

POLICY REVIEW DATES

| Date | Version | Author | Comment |
|--------------|---------|----------------|-----------------------------------------|
| January 2009 | V1.0 | Joanne Webster | Merge of service and authority policies |
| July 2010 | V2.0 | Gary Chapman | Cosmetic changes |
| July 2011 | V2.1 | Joanne Webster | Change of personnel and group names |
| June 2012 | V3.0 | Joanne Webster | Major revision |
| July 2013 | V3.1 | Karen Roberts | Minor changes |
| June 2014 | V3.2 | Joanne Webster | Cosmetic changes |
| July 2015 | V3.3 | Joanne Webster | Minor changes |
| August 2016 | V3.4 | Joanne Webster | Minor changes |
| January 2019 | V3.5 | Joanne Webster | Minor changes |
| January 2020 | V3.6 | Joanne Webster | Minor changes |

Date of next review June 2020

Owner: Jason Bailey

Contacts

Jason Bailey, SYPA, Tel 01226 772954
email jbailey@sypa.org.uk

Joanne Webster, SYPA, Tel 01226 772915
email JWebster@sypa.org.uk

CONSULTATION STRATEGY

South Yorkshire Pensions Authority (SYPA) is committed to managing our resources wisely whilst at the same time delivering services that our stakeholders want and expect. Seeking the views of our stakeholders is consequently of utmost importance to us in order to ensure firstly, that priorities reflect members opinion and secondly, that the priorities are being achieved.

Engagement as a clear, simple and transparent activity

Pension issues can be technical, legalistic and complex, and can work in a way that is very different from some other organisations and cultures.

This means that consultation exercises must be well planned and carefully delivered, allowing those outside the Authority to understand that there is a chance to participate in our work planning, helping them add to any discussions whilst at the same time appreciating the limitations of what can be done with their input.

The design of SYPA's consultation exercises should therefore feature:

- **Clarity** We will consider and state what the consultation exercise is about, what we hope to achieve by consulting, who the consultees are, and what impact the results of the consultation might have.
- **Simplicity** Issues and terminology must be explained in a simple and concise manner, making participation accessible and attractive.
- **Transparency** In line with our Freedom of Information responsibilities and other existing commitments, those wishing to participate or examine our consultation processes should have access to relevant supporting materials. These would include specific consultation documents, reports and papers, and records of subsequent decisions and actions.
- **Information** To enable those participating to make an informed contribution.

The following elements will assist in our strategy:

- **Inform** Providing stakeholders with balanced and objective information to assist them in understanding issues, alternatives, opportunities and/or solutions.
- **Research** Seeking information and involving stakeholders in the decision making process.
- **Consult** Obtaining stakeholder feedback on analysis, alternatives and/or decisions.
- **Involve** To work directly with the stakeholders throughout the process to ensure that concerns and objectives are consistently understood and considered.
- **Collaborate** To work together with our stakeholders in each aspect of the decision including the development of alternatives and the identification of the preferred solution.

STRATEGIC AIMS: where do we want to be?

This strategy seeks to build on the good practice we have already established over time.

The strategy aims to:

- Strengthen strategic planning and co-ordination of consultation activities and demonstrate how consultation fits into the Authority's decision-making processes;
- Ensure the effective use of consultation to improve services and policy by supporting officers and elected Members to help them make informed choices on appropriate consultation methods and delivery;
- Improve equality of opportunity in consultation using a wide range of methods and technologies to enable participation in consultation especially from 'harder to engage' groups;
- Make our consultation processes more meaningful for stakeholders through better communication about the purpose, topics and outcomes of consultation.

Why Consult?

To ensure that the Authority provides the services that people want in the way they want them. Consultation is used to:

- Involve users to advise the decision making process relating to priorities, policies, projects, and strategies.
- Target areas more closely by providing what people say they need and want.
- Monitor user satisfaction with services over time.
- Improve the quality of services.
- Improve the take up of services.
- Address issues arising from proposed changes to services.

Who does SYPA consult with?

We have an established range of mechanisms to support consultation activities.

The people that we are committed to consult with fall into a number of 'stakeholder' categories:

Scheme Member Consultation Groups

These groups are made up of volunteers from each of our main membership categories. Representing current, deferred and pensioner members each group is consulted on a range of issues as the need arises and provide written feedback on those issues. There is a limit of 200 members on each group. The role of these groups is to provide information to:

- Inform the decision-making process surrounding service delivery;
- Improve local systems and processes;
- Improve customer satisfaction.

The results of each group are analysed and reported to officers. Any immediate actions resulting from this process are fed back for implementation. All other information is used to shape the future service delivery and forms part of the Authority's corporate planning and prioritisation process.

The results of consultation and what will happen will be reported in member newsletters. Changes that have been implemented as a result of consultation will have the effect monitored and will be consulted upon in the future to ensure continued satisfaction. The results of this will also be reported to elected Members.

Local Pension Board

The Local Pension Board became a Statutory requirement from April 2015 and is made up of equal numbers of employer and scheme member representatives. The Board's responsibility is to ensure that the Fund is managed and administered effectively and efficiently and complies with the code of practice on governance and administration. The Board meets at least quarterly, has its own terms of reference and in addition to reviewing all authority business is able to commission reports and request updates as and when necessary.

Types of Consultation

1. Regular Consultation

Employee Satisfaction

This is issued to all South Yorkshire Pensions Authority personnel every two years. Its purpose is to monitor staff morale and provide information to managers and supervisors to maintain high levels of customer service.

Scheme Member Satisfaction

Focused surveys are carried out annually with a sample of members taken from the range of stakeholder groups. The minimum number of surveys throughout a twelve month period will be two.

The results will be used to:

- Inform the decision-making process surrounding service delivery;
- Improve local systems and processes;
- Improve customer satisfaction;
- Involve our customers in the provision of the services they receive;
- Ensure that our service has our members' approval.

Scheme Employer Satisfaction

Focused surveys are carried out every two years with all our employers.

The results will be used to:

- Inform the decision-making process surrounding service delivery;
- Improve local systems and processes;
- Improve employer satisfaction.

2. Ad-Hoc Consultation

In addition to the timetabled surveys there will be occasions when it will be appropriate to consult our stakeholders on an ad-hoc basis. SYPA will take every opportunity to seek the opinions of its stakeholders to continually assess and improve the service provided.

COMMUNICATION

SYPA recognises that in fulfilling its objectives, and in order to be fully effective, it has a duty to communicate with all its stakeholders about its actions, views, policies and service standards. Our Communication Strategy sets out how we intend to do this.

AIMS

The aims of this communication element of SYPA's Consultation and Communication Strategy is to ensure that the SYPA's role, achievements and effectiveness are widely understood, and that we have a positive image with our stakeholders. This complements the consultation element of the overall strategy, so that there is an effective two-way dialogue in place.

COMMUNICATION PRINCIPLES

Stakeholders first

Putting stakeholders at the heart of everything we do.

Open and honest

Giving honest, open and evidence-based messages and be open to debate and questions.

Timely and relevant

Communicating proactively with our stakeholders with relevant targeted messages - the right message to the right people at the right time.

Accessible for all

Offering an appropriate choice of communications methods to help ensure that no one in our scheme is disadvantaged, for example large print audio and braille.

Feedback

Facilitating two-way communications and encouraging participation and feedback.

Listening

Proactively seeking opinions, acknowledging them and responding quickly, helpfully, honestly and consistently.

Value for money

Making the best possible use of resources and budgets by working with colleagues and employers to share best practice.

Overriding Principles

The main aim of this Communications Strategy is to review and develop current methods of communications, introduce new methods appropriately and continually measure impact.

This will mean that:

- All members, employers and organisations involved with SYPA in the delivery of our services will have a clear, consistent and positive perception of SYPA's values, services and achievements.
- Communication messages will be devised, tailored and targeted at specific audience sectors. It's important to know your audience - one size doesn't fit all. We will target the content and method of delivery to our audience to ensure that we engage our members and they relate to what we are saying.
- Communications will support consultation and, in turn, be informed by the views expressed through consultation.
- Measurement and evaluation will be an integral part of all communication activity.

Good communications will:

- Be clear about key messages to be communicated;
- Help to deliver member/corporate priorities;
- Be of a high standard and effective;
- Develop a clear brand across the organisation, including publications, presentation slides, email formats, letters and other forms of communication, under our SYPA style guidelines;
- Set out the principles that underpin all communications including press, web, email, letter, presentation template, consultation exercises;
- Identify the most effective methods of communicating with members, employers and stakeholders;
- Co-ordinate communications activity across the Authority with accepted strategic communications objectives;
- Identify an action plan and methods of monitoring performance/effectiveness.

Targeted Audiences and Methods of Communication

The principal audiences with whom SYPA wishes to communicate are set out below. The nature of the message which the Authority wants to communicate varies between audiences.

Section 1: **Contributing Members**

Section 2: **Deferred Beneficiary Members**

Section 3: **Pensioner Members**

Section 4: **Employing Authorities**

Section 5: **Other interested parties**

Section 1: COMMUNICATING WITH CONTRIBUTING MEMBERS

Pension Forecasts

Annual pension forecasts are made available on our secure online portal 'mypension'. Notifications to inform members their forecasts are available to view are issued by email and text. If we don't hold either of these details notification will be made by post.

Pension Planning Newsletter

At least annually we will publish a newsletter. The main purpose is to keep members informed about changes in the pension scheme that may affect them. The newsletter is not produced at fixed times and is driven by the timeliness of the content. Newsletters will be digital by default. We live in a digital age, and while paper versions will be made available on request, our digital by default position recognises that the vast majority of our members now have access to the internet. We will also produce online only newsletters aimed at different age groups. Young people who may have recently joined the scheme and older members planning for retirement are interested in different aspects of the scheme and may warm to a different style of delivery. The type of publication being issued will determine the intended audience; however we will be looking to target, younger members, mid-life and pre-retirement.

In addition to pension scheme content we aim to include lifestyle articles and ensure the newsletter is interesting to read and visually stimulating.

Presentations

We deliver group information sessions in members' places of work. These are provided on demand in conjunction with employers. We deliver more specialist sessions for members affected by issues such as a public services transferring to a private organisation. We also participate in induction, mid-life and pre-retirement courses, which are organised by a number of our employers, and providing there is sufficient interest.

Section 2: COMMUNICATING WITH DEFERRED BENEFIT MEMBERS

Deferred Benefit Statements

Annual deferred benefit statements are made available on our secure online portal 'mypension'. Notifications to inform members their statements are available to view are issued by email and text. If we don't hold either of these details notification will be made by post.

Your Past is Your Future Newsletter

Annually we produce a newsletter. The main purpose is to keep in contact with our deferred benefit members. A deferred beneficiary is usually no longer in employment within the pension fund and as they are not in receipt of their pension and without regular contact it is easy to lose touch. The content of the newsletter will inform members of changes to the pension scheme and include lifestyle articles of interest. There is no fixed time for issue but it is usually linked with the annual report summary and deferred benefit statements.

Newsletters will be digital by default. We live in a digital age, and while paper versions will be made available on request, our digital by default position recognises that the vast majority of our members now have access to the internet.

Section 3: COMMUNICATING WITH PENSIONER MEMBERS

Retirement Insight

Bi-annually we produce a newsletter, the main purpose is to inform retired members about issues that affect them such as annual cost of living increases. This newsletter is generally produced at fixed times in the spring and autumn to coincide with pensions increase and annual report content. Despite our increasing focus on e-communication channels, the twice-yearly Retirement Insight newsletter will still be issued to pensioner members in hard copy form, if we don't hold an email address. All new pensioners will be digital by default, with the exception of members who aren't online, and request a hard copy.

The spring issue of the newsletter will be issued with the members' April pay advice and P60.

Payslips

Payslips are available on our secure online portal 'mypension'. Members who retired before July 2019 will receive a payslip if their net pay varies by more than £5.

Section 4: COMMUNICATING WITH EMPLOYERS

Support and Engagement

SYPA have dedicated staff to assist employers with all aspects of their pension duties. Our engagement officers will be employers' first port of call for any staff training and presentation requests for both Payroll and HR issues to help them administer the scheme effectively. They will also offer a range of presentations to scheme members to help them understand their pension benefits. Handover meetings will be provided from the point employers are admitted to the scheme, where our team will explain the services we provide and cover the responsibilities of the employer. We offer seminars aimed primarily at topical and administrative issues as well as one to one meetings to help with any issues that may arise.

Employers Pensions Information Centre (EPIC)

The authority provides a central information centre where registered employers are able to access a whole range of information online including news and links to important documents. EPIC also provides statistical information to assist employers in understanding their scheme responsibilities.

Employer Web

The authority also provides secure access to relevant scheme member information and allows employers to upload monthly data submissions and produce retirement quotes. Employer web is also used as a platform to contact and query member data securely.

Section 5: COMMUNICATING WITH ALL VIA:

Website

www.sypensions.org.uk This is the scheme members' website which is an information source on all aspects of the scheme. Simply set out with quick links and a comprehensive A-Z, the website also contains booklets and publications together with the link to our secure online portal (mypension).

Secure Online Portal - 'mypension' Members can register to gain access to their secure online account. Once registered for mypension it's a great way for members to keep track of their pension account, view and amend personal details, make and update death grant nomination details as well as active and deferred members having the facility to produce retirement quotes. Annual benefit statements will be available for both active and deferred members. For retired members monthly payslips and P60s are available to view.

www.southyorks.gov.uk This is the website relating to business of the Elected Members. Here you will find the calendar of Authority meetings along with agenda, minutes and reports. This site also provides access to the Webcast area that will allow you to watch Authority meetings as they happen.

Special Requests

We offer an appropriate choice of communication methods to help ensure that no one in our scheme is disadvantaged. To assist members with special needs when communicating we can make arrangements to have a signer or interpreter present should a member wish to attend an information appointment. We can also provide communication material in large print, audio CD and braille.

Literature

The main point of reference for members to find out about the key aspects of the LGPS is our *Employee Guide*. This is supported by a range of literature, on the various aspects of the Scheme.

Annual Fund Meeting

This event is usually held in October. The AFM is an opportunity to meet the Chair/Vice Chair of the authority and senior management face to face. Presentations usually focus on fund performance and topical events followed by questions from attendees. To allow members who aren't able to attend the AFM we will record the meeting and upload the event to our YouTube account.

By Telephone - Customer Centre

The Customer Centre is the main communications channel between members/employers within the Authority. The Customer Centre will play an important role in delivering a reliable customer experience on a daily basis. Members and employers can contact us by telephone which is prominently advertised on all our literature.

Email

Members can contact us by email which is prominently advertised on all our literature. A secure e-mail service is in operation to allow personal information to be included in e-mail responses.

Pensions Information Service

A comprehensive pensions information service on pension matters is provided by the Authority at all our four offices across the county. Appointments are made online at www.sypensions.org.uk/advisory.

Text Messaging

Our preferred method of communication is email however in the absence of an email address, where appropriate we will use text messaging. SMS messages are ideal for reminders and simple instructions and announcements.

You Tube

Video recording opens the door to new opportunities to interact with members. Recording of events such as the AFM will be uploaded to YouTube to give members who couldn't attend on the day a chance to view the meeting.

Social Networking Sites

People of all ages are using social media. Our aim is to connect with as many of our members as possible, deepening relationships and engagement. We currently have a Facebook page and members can follow us on Twitter and LinkedIn.

Annual Report

Provides a comprehensive report on the authority's activities throughout the preceding year.

Meetings/Presentations

Our staff are available to attend meetings and deliver presentations on a range of topics upon request.

CUSTOMER CENTRE

Getting customer service right in an organisation, and continually improving it, is a long term commitment. Our customer centre will be the first point of contact for all scheme members and employers whether it's by telephone, email, letter or live chat. The main aim is to provide excellent customer service whilst promoting our online services.

The Customer Centre will welcome feedback. We will resolve any problems to the best of our ability, we will stop them being repeated and learn lessons. We will measure our performance making sure we measure the right things, making sure it's relevant and taking any necessary action. Benchmarking will be a key part of our measurement programme.

Customer Centre Contact Details

Telephone: 01226 772923

Email: customerservices@sypa.org.uk

Consultation & Communication Strategy

Produced by South Yorkshire Pensions Authority ·

Floor 8, Gateway Plaza ·

Sackville Street ·

Barnsley ·

S70 2RD ·

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Agenda Item 10



| | | | |
|-----------------------------------|----------------------------------------------------------|---------------|--------------------------------|
| Subject | South Yorkshire Local Pension Board Annual Report | Status | For Publication |
| Report to | Local Pensions Board | Date | 13 th February 2020 |
| Report of | Deputy Clerk | | |
| Equality Impact Assessment | Not Required | Attached | No |
| Contact Officer | Gill Richards | Phone | 01226 772806 |
| E Mail | grichards@syjs.gov.uk | | |

1. **Purpose of the Report**

- 1.1 To present the draft Local Pension Board's Annual Report for 2019/20.

2 **Recommendation(s)**

2.1 **Members are recommended to:**

- a. **Comment on the draft Annual Report at Appendix A and authorise officers to finalise it for publication including full year information in consultation with the Chair and the Board's Independent Advisor.**

3. **Link to Corporate Objectives**

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

Effective and Transparent Governance

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

4. **Implications for the Corporate Risk Register**

- 4.1 There are no significant risks associated with this report.

5. **Background and Options**

- 5.1 The Public Service Pensions Act 2013 required all Authorities to establish Local Pension Boards.

- 5.2 South Yorkshire Pensions Authority, as Scheme Manager, established its Local Pension Board on 1st April 2015, the Board met formally for the first time on 23rd July 2015.
- 5.3 The Terms of Reference for the Board includes the requirement to ‘produce an Annual Report upon the Board’s activities to be submitted to the Pensions Authority’.
- 5.4 The Annual Report will be published on the Authority’s website and be referenced in the Annual Report and accounts.

6. Implications

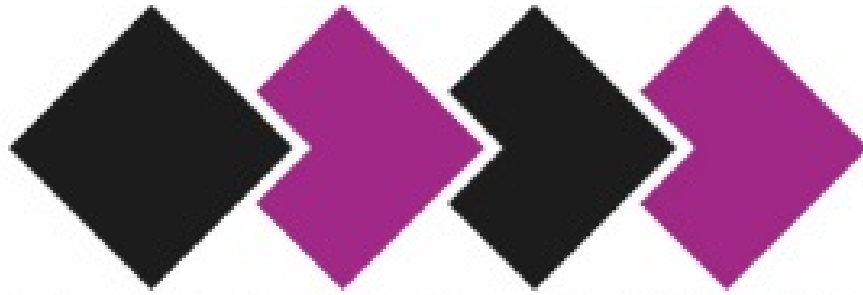
6.1 The proposals outlined in this report have the following implications

| | |
|-----------------|------|
| Financial | None |
| Human Resources | None |
| ICT | None |
| Legal | None |
| Procurement | None |

Gill Richards

Senior Democratic Services Officer

| Background Papers | |
|--------------------------|----------------------------|
| Document | Place of Inspection |
| | |



**SOUTH YORKSHIRE
PENSIONS AUTHORITY**

**South Yorkshire Local
Pension Board
ANNUAL REPORT 2019/20**

Foreword

Welcome to the 5th annual report of the South Yorkshire Local Pension Board (LPB).

The Board seeks to assist the South Yorkshire Pensions Authority to maintain effective and efficient administration and governance. The LPB comprises in equal numbers, scheme members, which includes the three recognised trade unions, and employer representatives.

We have seen a number of changes this year with Jill Thompson a founder member and former Chair resigning and the district council members rotating which meant the loss of Cllr Phillip Lofts. I would like to thank them for their commitment and service on our Board which has contributed to its involvement within the governance structure of the Authority as it stands today. We also filled all the vacancies on the Board and welcomed employee representatives Andrew Gregory and David Webster and employer representatives Cllr Tony Damms, Cllr Tosh McDonald and Steve Loach.

The Board has also appointed an Independent Advisor, Clare Scott, who will work closely with myself in framing the agenda and work programme for the Board and act as a mechanism for providing the Pensions Authority with assurance that the Board is operating effectively.

Finally, without the commitment of all the members of our Board we would not be where we are today so a huge thank you to you all for your continued diligence and support.

Garry Warwick, Chair



Membership

Employee Representatives

Garry Warwick (GMB) - Trades Union (Chair)

Kevin Morgan (Unite) - Trades Union

Nicola Doolan (Unison) - Trades Union

Andrew Gregory - LGPS Member

David Webster – LGPS Member

Employer Representatives

Rob Fennessy (South Yorkshire Police) - 'Other Large Employer'

Nicola Gregory– Academy

Councillor Tony Damms - Local Authority Member (Sheffield)

Councillor Tosh McDonald - Local Authority Member (Doncaster)

Steve Loach – Local Authority Senior Manager

Member Attendance

Attendance at the LPB meetings has been positive with members and employer representatives freely giving their time and commitment.

| | 25 July 2019 | 17 Oct 2019 | 11 Dec 2019 | 13 Feb 2020 |
|---------------------|-----------------|----------------|----------------|----------------|
| Cllr Tony Damms | ✓ | ✓ | ✓ | |
| Nicola Doolan-Hamer | ✓ | ✓ | x | |
| Rob Fennessy | ✓ | ✓ | x | |
| Andrew Gregory | x | ✓ | ✓ | |
| Nicola Gregory | ✓ | ✓ | ✓ | |
| Steve Loach | | ✓ | ✓ | |
| Cllr Tosh McDonald | x | x | x | |
| Kevin Morgan | x | ✓ | ✓ | |
| Garry Warwick | ✓ | ✓ | ✓ | |
| David Webster | | ✓ | ✓ | |

Role of the LPB

The role of the Local Pension Board as defined by Sections 5(1) and (2) of the Public Service Pensions Act 2013 is to:

- Secure the effective and efficient governance and administration of the LGPS for the South Yorkshire Pension Fund;
- Provide the Scheme Manager with such information as it requires to ensure that any member of the Local Pension Board or person to be appointed to the Local Pension Board does not have a conflict of interest;
- Ensure the South Yorkshire Pension Fund effectively complies with the Code of Practice on the Governance and Administration of Public Service Pensions Schemes issued by the Pensions Regulator and is effectively managed and administered in compliance with the Code.

Work of the Board 2019/20

The Board held four meetings during the year.

The Board continued to develop their Work Programme. This is a fluid document and one which evolves as Members knowledge and understanding of their roles evolve and also as situations arise within the Authority that require the Boards attention/consideration. Members of the Board receive all agenda papers issued to Members of the Pensions Authority.

During the year the Board has:

- **Annual Fund Member Event** – Members of the Board were invited to the Annual Fund Member Event in Sheffield.
- **Guaranteed Minimum Pension Reconciliation** – The Board has been kept informed on the progress of this exercise.
- **Pensions Administration** – The Board received quarterly Administration performance reports.
- **Investment Pooling** – Considered the accountability arrangements in place within SYPA in relation to the Border to Coast Pensions Partnership.
- **Conflicts of Interest** – The Board reviewed their Conflicts of Interest Policy.
- **Breaches Complaints and Appeals** - The Board received quarterly reports on breaches, complaints and appeals.
- **Board Membership** – Board membership was formalised and the Constitution revised to reflect this.
- **Contribution Payments** – Received an update on the procedures for monitoring contributions payments.
- **Funding Strategy Statement** – Reviewed the draft Funding Strategy Statement.
- **Data Quality Improvement** – The Board monitored the Data Quality Improvement Plan.
- **Benchmarking** – Considered the outcomes of two administration benchmarking exercises.
- **The Pensions Regulator** – Received updates on the submission of TPR's Annual Scheme Return and the Public Service Governance and Administration survey,

Training and Development

The Board has in place a Training and Development Strategy similar to that of the Authority and both bodies have acknowledged the requirement to undertake training and development in tandem for mutual benefit and to provide value for money in training delivery.

The Board has recently undertaken a Learning and Development needs analysis exercise the results of which will be evaluated and used to inform the 2020/21 Training and Development Strategy.

During the year, Board Members have been offered the following training/development support:

- LGA Fundamentals Training
- Induction/Refresher Session
- BCPP Conference
- CIPFA LPB Members Annual Event
- Authority Seminar – Border to Coast Pensions Partnership
- Authority Seminar – Valuation
- CIPFA LPB Members’ Seminar
- Investment Strategy Seminar
- Corporate Strategy and Budget Seminar
- LGA Fundamentals Training
- Understanding Local Pension Board Responsibilities
- CIPFA/Barnett Waddingham Seminar

Member attendance at training/development events was as follows: (it should be noted that some members were appointed later in the year and places at some events were limited)

| | Cllr T Damms | N Doolan-Hamer | R Fennessy | N Gregory | A Gregory |
|--------------------------------------|--------------|----------------|------------|-----------|-----------|
| SYPA Induction/Refresher | | ✓ | | | |
| BCPP Seminar | | ✓ | | | |
| SYLPB Induction/Refresher | ✓ | ✓ | ✓ | ✓ | |
| BCPP Conference | | ✓ | | | |
| Valuation Seminar | ✓ | ✓ | ✓ | | ✓ |
| Investment Strategy Seminar | ✓ | | | | ✓ |
| Corporate Strategy & Budget Seminar | | ✓ | | | |
| Local Pension Board Responsibilities | | ✓ | | ✓ | ✓ |
| CIPFA Spring Seminar | | | ✓ | | |

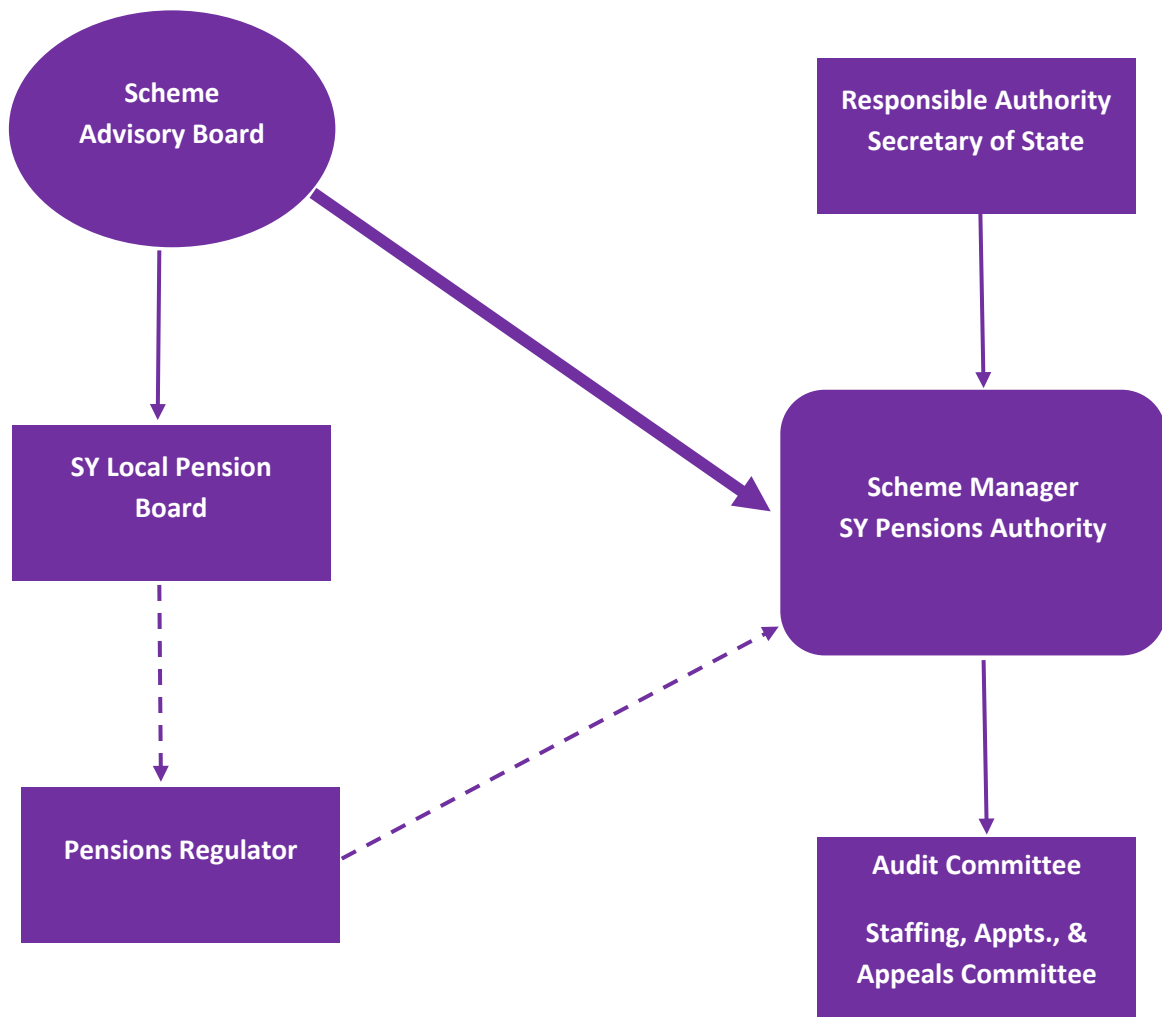
| | S Loach | Cllr T McDonald | K Morgan | G Warwick | D Webster |
|--------------------------------------|---------|-----------------|----------|-----------|-----------|
| SYPA Induction/Refresher | | | | ✓ | |
| BCPP Seminar | | | | ✓ | |
| SYLPB Induction/Refresher | | ✓ | ✓ | | ✓ |
| BCPP Conference | | | | ✓ | |
| Valuation Seminar | | | | ✓ | ✓ |
| Investment Strategy Seminar | | | | ✓ | |
| Corporate Strategy & Budget Seminar | | | | ✓ | ✓ |
| Local Pension Board Responsibilities | ✓ | | ✓ | ✓ | ✓ |
| CIPFA Spring Seminar | | | | ✓ | ✓ |

Future Plans

We aim to:

- Review the Authority's compliance with the Pensions Regulator's Code of Practice.
- Review the Authority's risk management approach.
- Communications – increased focus on the quality and frequency of the Authority's communications with scheme members and employers.
- Monitor governance arrangements both within the Authority and the Border to Coast Pensions Partnership.
- Receive and make recommendations on data improvements through the newly designed data scoring model.
- Introduce mandatory training for all members of the LPB.
- Work closely with the other Local Pension Boards within our Pensions Partnership to share best practice.

Governance Structure



Budget 2019/2020 (to end Quarter 3)

| Local Pension Board | 2019/20 Budget | 2019/20 Q3 Forecast | 2019/20 Q3 Forecast Variance | 2019/20 Q3 Forecast Variance |
|------------------------------------------------|---------------------------|------------------------------------|-------------------------------------------------|-------------------------------------------------|
| | £ | £ | £ | % |
| Independent Advisor | 3,500 | 3,500 | 0 | 0.00% |
| Room hire & catering | 1,000 | 350 | (650) | (65.00%) |
| Printing and Postage (Agendas etc. | 1,000 | 500 | (500) | (50.00%) |
| Member Travel expenses (Meetings) | 1,000 | 300 | (700) | (70.00%) |
| Insurance | 2,500 | 0 | (2,500) | (100.00%) |
| Training and associated travel and subsistence | 6,000 | 2,625 | (3,375) | (56.25%) |
| Total | 15,000 | 7,275 | (7,725) | (51.50%) |

For future years the provision for insurance is no longer required and this together with the re-allocation of historically underspent budgets has allowed resources to be identified to meet the costs of the Board's new independent advisor. The Board recommended a total budget of £14,000 for 2020/21 which was approved.

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