

# SOUTH YORKSHIRE PENSIONS AUTHORITY

## LOCAL PENSION BOARD

15 JULY 2021

PRESENT: G Warwick (GMB) (Chair)

Councillor M Chaplin (Sheffield City Council), N Doolan-Hamer (Unison), D Gawthorpe (Unite), A Gregory (Scheme Member Representative), N Gregory (Academy Representative) and D Webster (Scheme Member Representative)

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

C Scott (Independent Advisor to the Board)

Apologies for absence were received from R Fennessy, S Loach and G Richards

### 1 WELCOME AND APOLOGIES

G Warwick welcomed everyone to the meeting.

Apologies for absence were noted as above.

### 2 ANNOUNCEMENTS

None.

### 3 URGENT ITEMS

None.

### 4 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS

None.

### 5 DECLARATIONS OF INTEREST

None.

### 6 ELECTION OF THE CHAIR

RESOLVED – That G Warwick be appointed as Chair of the Board for the ensuing year.

7 ELECTION OF THE VICE-CHAIR

Members agreed that the election of the Vice-Chair of the Board for the ensuing year should be deferred to the next Board meeting.

RESOLVED – That the election of the Vice-Chair of the Board for the ensuing year should be deferred to the next Board meeting.

8 MINUTES OF THE MEETING HELD ON 22 APRIL 2021, ACTIONS AND MATTERS ARISING

RESOLVED – That the minutes of the meeting held on 22 April 2021 be agreed as a true record.

9 MEMBERSHIP OF THE LOCAL PENSION BOARD

A report was submitted which provided an update on the membership of the Board.

In relation to the vacancy for the Local Authority Councillor, Members noted the discussions taking place between BMBC and RMBC, in order to identify a suitable candidate.

M McCarthy referred to the difficulties encountered in identifying a suitable candidate. He would liaise further with Councillor Sir Houghton CBE, Leader of BMBC, with a view to resolving the matter before the next Board meeting.

RESOLVED – That Members noted the revisions to the membership of the Board, as follows:-

Cllr Mike Chaplin (Sheffield CC)	Local Authority Councillor
Vacancy	Local Authority Councillor
Rob Fennessy (South Yorkshire Police)	'Other Large Employer'
Nicola Gregory (Minerva Learning Trust)	Academy
Steve Loach (Head of Finance, Barnsley MBC)	1 Local Authority Senior Manager
Nicola Doolan-Hamer (Unison)	Trades Union
Danny Gawthorpe (Unite)	Trades Union
Garry Warwick (GMB)	Trades Union
Andrew Gregory	Scheme Member
David Webster	Scheme Member

10 LOCAL PENSION BOARD WORK PLAN

The Board's Work Plan was presented for information.

Members noted that a proposal around the new TPR Code would be presented to the Board in due course, with a view to providing training when a timeframe was known.

G Warwick referred to a recent webinar, which had consisted of a number of very powerful speakers including C Scott. The Scheme Advisory Board had made a commitment to issue advice and guidance to all administering authorities once the final draft of the new Code was available.

C Scott assumed that updates in relation to the McCloud Judgement would be included onto the Work Plan, for updates to be provided to future Board meetings. Officers indicated that this was the case but timing would depend upon the process for issuing the relevant amending regulations.

RESOLVED – That the Work Plan be noted.

## 11 LOCAL PENSION BOARD CONSTITUTION

A report was submitted which provided the amendments to the Board's constitution proposed as a result of the effectiveness review conducted by the Board.

G Warwick referred to the discussion that been held in the pre-meeting. At that meeting, C Scott had stated that the Board and the Authority had agreed to an extension in the constitution of two to three terms, in particular for the Trade Union Representatives. However, this had not explicitly covered the fact that there was any risk of a conflict of interest for those individuals that were members of both the Board and the Authority. He requested C Scott to suggest a form of words as to how the decision should be minuted.

C Scott suggested that the decision should indicate that the Board had discussed the potential conflict of interest of dual membership between the Board and the Authority, and that the Board recognised that the Trade Union representatives largely observed the Authority meetings. Therefore the conflicts of interest were manageable and minimal, and the Board was happy to proceed on that basis.

Members agreed to the suggested form of words for the decision.

Councillor Chaplin suggested that it would be helpful to make it explicit that the role of the Trade Union representatives on the Authority was in a non-voting capacity.

M McCarthy highlighted that there was scope within the meeting to make a declaration of interest. If it was considered that there was a perceived conflict of interest, it would be for the Clerk to raise this within the meeting, with a view to it being discussed and dealt with within the meeting.

Members agreed to the additions to the suggested form of words for the decision.

C Scott referred to the potential change to the extension of the Elected Members, which was taken to the Leaders of the local authorities.

G Graham commented that the Chair of the Authority and himself attended the Leaders Meeting which was held in September each year. Over the last few years they had raised the issue that the degree of turnover of Elected Members on the Authority and the Board was extremely unhelpful, and they would raise the matter again at the Leaders Meeting that was scheduled in September 2021. However, it was anticipated that the matter would not be resolved on that occasion and that further discussions would be necessary.

Councillor Chaplin commented that although it was not possible to influence the appointment process, he queried whether the Board was in a position to amend the constitution.

In response, G Graham commented that theoretically changes could just be made to the constitution. However, given that currently the district councils appointed Elected Members to the Board and the Authority on an annual basis, it would be somewhat challenging to prescribe a term of office. His understanding was that the appointment onto the Authority had to be made as an annual appointment, as prescribed within the regulations. He did not consider that there was any reason that the Board could not appoint for a longer period, due to it not being a Local Government Act body.

RESOLVED – That Members:-

- i) Approved the revised constitution as set out at Appendix A to the report.
- ii) Agreed to the suggested form of words and the additions made to the decision.

## 12 TPR CODE OF PRACTICE 14

A report was presented which provided an update on the current levels of compliance with TPR Code of Practice 14 and the outcome of the TPR Survey on Governance and Administration.

G Warwick requested that in future, the TPR Code of Practice 14 should be provided to the Board in a larger print on A3 paper.

J Bailey would discuss the matter further with the Joint Authorities Governance Team.

It was anticipated that a revised single code would come into force towards the end of the calendar year, at which point a new action plan would be created to reflect the new code. The code applied to public service pension schemes, and therefore it was appropriate for SYPA to continue to measure against the existing code until the new code was issued. It was expected that the majority of actions would be carried forward into the new code.

In relation to the TPR survey results, Councillor Chaplin highlighted that most schemes had identified the implementation of the McCloud remedy as a significant risk and asked about the costs of McCloud.

In response, J Bailey commented that in terms of the cost to the pension fund for the McCloud remedy, that the Actuary had already allowed for the potential longer term costs in the valuation of the pension fund and the information presented within the accounting disclosures and the contribution rates effective from March 2020, and it was not anticipated that employers would face material additional McCloud costs beyond what had already been allowed for. In 2020, the Authority had agreed for the creation of three new permanent posts to provide assistance with the McCloud remedy. Recruitment had been made to the three posts, which were currently being utilised to provide additional resource ahead of the majority of the work to be undertaken with the McCloud remedy.

RESOLVED – That Members:-

- i) Reviewed the latest update on compliance levels and highlighted any potential areas which may require more focus.
- ii) Noted the outcomes of the TPR Survey.

### 13 DATA QUALITY IMPROVEMENT PLAN UPDATE

A report was provided which updated Members on the latest iteration of the Data Quality Improvement Plan and the progress made to date in resolving data discrepancies.

In relation to tracing the deferred members and the complaints received around the incorrect result, C Scott requested an indication of balancing the cost of the tracing exercise that had been recently undertaken and in the future.

J Bailey stated that in terms of the bulk tracing exercise that had recently been undertaken, the lowest cost tracing agency provider within the LGPS framework had been appointed, at an actual cost of £11,000. Internally, SYPA would follow up the potential new addresses for those cases that had been identified, at a minimal cost. It was noted that individuals reaching retirement age would frequently need to be traced. A pilot had recently been undertaken with a fixed fee of £6,000 per year which would enable SYPA to utilise a comprehensive tracing database. In the event that the pilot demonstrated SYPA would benefit from use of the database, then an annual licence would be purchased.

RESOLVED – That Members noted the updated Data Quality Improvement Plan summary and commented on any further reporting requirements or actions.

### 14 REVIEW OF THE ANNUAL REPORT AND ACCOUNTS

G Graham commented that the agenda item had been withdrawn due to a number of changes needing to be made to the financial statements in response to the

Auditors, which would not enable the Annual Report to be provided to Members within sufficient time ahead of the meeting. There was not a requirement for the Annual Report to be presented to the Board, however it was good practice for the Board to review it. It was intended that the Annual Report would be presented to the next Board meeting, with a view to Members making suggestions on how to present the information and to make improvements for next year.

RESOLVED – That Members noted the update.

15 GOVERNANCE REVIEW UPDATE

A report was submitted which provided the Board with an update on the progress on delivering the action plan arising from the Hymans Robertson Governance Review.

RESOLVED – That Members noted the progress made with the Governance Review action plan and agreed that the Review should now be regarded as closed.

16 REVIEW OF THE CORPORATE RISK REGISTER

A report was presented to allow the Board to review and comment upon the latest iteration of the Corporate Risk Register.

Members were provided with an update in relation to the SYPA relocation to Oakwell House, Barnsley. In relation to the tendering process, the contractors had been asked to deliver a programme that would conclude on 15 November 2021; the preferred contractor would shortly be selected. However, all of the contractors had estimated a slightly earlier completion date, and it was envisaged that the move into the new premises could potentially take place between w/c 25 October 2021 and w/c 8 November 2021. Oakwell House provided a total of 44 car parking spaces for staff. Overflow car parking arrangements would be made available for the Authority and Board meetings. G Graham provided assurance that the same level of service provided to Scheme Members would continue during the process, and that business continuity arrangements which had been thoroughly tested during the pandemic were in place.

RESOLVED – That Members noted and commented upon the latest version of the Corporate Risk Register, at Appendix A to the report.

17 QUARTERLY ADMINISTRATION REPORT

A report was submitted which provided an update on the administration performance and issues for the period from 1 April 2021 to 30 June 2021.

Members noted that the content of the report was continually reviewed to ensure that it was appropriate to support the scrutiny of the administration service and included information not provided previously.

Staffing

The report contained a table which provided a summary of the joiners and leavers for the administration service during the period.

During the quarter, the Support and Engagement team manager had left SYPA. The role had been widely advertised within the pension press, and interviews would be held w/c 19 July 2021. In the short term, some operational impact with the employers would be encountered until recruitment to the position was made.

Over the last 12 month period, a total of 25 training sessions had been provided to the employers, with representation from approximately 300 employers.

Sickness absence figures remained consistent with 2020/21, with one member of staff on long term sickness absence. No COVID-19 related absences had been recorded during the period.

### Case Work Programme

The reporting of performance had been updated in order that Members could more easily compare the like-for-like periods.

Members noted that the dashboard had not previously been updated to reflect the changes made to the death process. This had increased to 88% for retirement and death. Measures would be taken to improve the performance figures.

At the last Board meeting a request had been made by Members for clarification of the outstanding cases and the normally expected volumes. Members were referred to the additional table within the report which showed the number of cases that were outside of SYPA's KPI. Additional resource would be devoted to aggregation during the current quarter.

### Statutory Disclosure Reporting

The statutory disclosure reporting table indicated that SYPA was 100% compliant in terms of the areas within its control.

The feedback received from customers in relation to the survey, related to the work being undertaken to understand more about the high volumes of cases which were on hold for a long duration. The position was pending whilst awaiting information from third parties.

### Employer Performance

It was noted that the employers continued to provide the monthly returns in a timely manner. There were only 5 out of the 33 Scheme Members that had outstanding monthly returns, and all 5 were new employers to the fund.

### Individual Query Employer Reporting

Members were referred to Appendix B within the report which showed the performance in recent quarters for the employers or payroll providers with the

highest volumes of queries. The trend analysis indicated an increase in the volume of outstanding queries for cases that were listed by RMBC payroll services. Members noted a substantial increase in the number of queries raised, as result of having caught up with the monthly data files. SYPA continued to meet with RMBC payroll services on a fortnightly basis, to provide resources with a view to resolving the cases over the next 3 month period.

It was noted that the processing work for the monthly returns had been completed which had enabled the Annual Benefit Statements to be released, and production had commenced.

### Contribution Payments

It was noted that the number of employers that had not yet signed up to Direct Debit were predominately service contract providers with multiple employer contracts. The issue of the small contract caterer paying late had now been resolved, and BACs payments had been received on time since April 2021.

### Customer Satisfaction

The overall satisfaction levels remained high. An internal project had been established to consider ways to improve the information received from the employers and how the information could be provided within a timely manner.

### Customer Centre

Members were referred to the electronic survey that had been issued to 3,293 members who had contacted the Customer Centre by telephone during February, March and April 2021.

The feedback from the Live Chat facility showed a 95% satisfaction rate.

From October 2020, customer satisfaction levels were monitored with email responses by embedding 'click face' surveys into the email signatures. The email had been rated poorly by 20% of respondents, which was a lower level of satisfaction, but represented 8 responses from 1,560 emails that had been issued.

### Online Portal

Members were referred to the exercise that had been undertaken to encourage all Scheme Members to sign up to use the online portal. It was anticipated that the numbers would increase as individuals accessed their statements.

### Annual Benefit Statements

Production of the Annual Benefit Statements had now commenced.

C Scott stated that overall, the Board was reassured of the good performance undertaken. On behalf of the Board, she expressed her thanks to the Administrative Team.



G Warwick echoed C Scott's sentiments. On behalf of the Board, he wished to pass on his thanks to all of the SYPA staff for their tremendous efforts and achievements that had been made during the COVID-19 pandemic.

J Bailey appreciated the comments made. G Graham and himself had been frustrated that the pandemic had slowed progress on some of the development projects but the Administration Team had worked extremely hard to maintain the level of service to the Scheme Members throughout the pandemic.

RESOLVED – That Members:-

- i) Commented on the content of the revised administration update and indicated any areas where they would like to receive further detail.
- ii) Highlighted any areas of administration where further assistance may be required.

## 18 REVIEW OF BREACHES, COMPLAINTS AND APPEALS

A report was presented to update Members on the latest available record of reported breaches and provided details of complaints and appeals for the period from 1 April 2021 to 30 June 2021.

Councillor Chaplin referred to the data breach where a tracing agency had previously identified an individual with the same name and date of birth as a Scheme Member, and SYPA had incorrectly made payment to the wrong recipient.

J Bailey commented that since the data breach, amendments had been made to the verification processes for tracing members, in order to verify that they were a former employee. SYPA continued to recover the £4,000 payment from the individual concerned. He was confident that such a data breach would not reoccur in the future.

In relation to the second data breach that had been caused by a mistake from an external print company that had been engaged to produce and issue P60's to pensioners, J Bailey provided assurance to Members that this had been a one off incident.

The third data breach had related to the wrong individual having received an original death certificate. Members noted the additional staffing checks that had been included onto the process to ensure that the original death certificates were sent to the correct individuals.

There had been a number of cases where members had received the incorrect unreduced payment date shown on their Deferred Benefit Statements; the individual cases were still being worked through but it was estimated up to 200. Contact would be made with the individuals concerned to explain the position, and to provide the correct Deferred Benefit Statements and unreduced payment dates.

This related to a legacy issue when the data had been transferred between administration systems back in 2014.

RESOLVED – That Members:-

- i) Noted the breaches summary and commented on any further reporting requirements or actions.
- ii) Noted the outcome of complaints received and commented on any further requirements.

19 PROGRESS WITH THE EFFECTIVENESS REVIEW

C Scott referred to the action plan that been developed informally on a number of areas for progression, which included training. She queried the position to progress a training needs analysis.

G Graham would liaise with C Scott on the matter outside of the meeting.

In relation to developing communications with the Authority, G Graham would facilitate a meeting between the Chair of the Authority and the Chair of the Board.

G Warwick was confident that the training would be organised when it was deemed appropriate through the links with the Chair of the Authority. It was important to ensure that all Members were kept up to date on the information and skills required.

RESOLVED – That Members noted the update.

20 FEEDBACK ON TRAINING ATTENDED

G Graham commented that Members should have received an email to enable them to enrol onto the online learning academy. The whole package provided a great deal of benefits and a source of reference material.

G Warwick encouraged the Members to read the Monthly Updates that were circulated by SYPA, which provided details of future courses and webinars.

Members were requested to maintain a record of the training events that they attended, which were undertaken outside of those organised by SYPA. It was hoped that Members would complete the Hymans Robertson online training by Christmas 2021.

RESOLVED – That Members noted the update.

21 RECOMMENDATIONS TO THE AUTHORITY

G Warwick referred to a number of discussions and comments that had previously been made. He requested Members to inform G Graham of any further discussion items.

RESOLVED – That Members noted the update.

22 INDICATIVE AGENDA FOR THE NEXT MEETING

Members noted that the item related to the Board's work programme, which had been discussed earlier in the meeting.

23 ANY OTHER BUSINESS

G Warwick considered that there should be a standing agenda item in relation to the investment of policies, the relationship with and effectiveness of Border to Coast, in view of the Authority's decision to go carbon free by 2030.

In response, G Graham commented that he would give consideration on how to frame a report to the Board. The remit of the Board would touch upon investment governance but not the actual decisions and performance.

Members were referred to the Investment Panel's annual review of Border to Coast. A report would be presented to the Authority meeting in September 2021.

C Scott queried that in the event that the Board wished to consider the report, whether it would have to be taken within the private part of the meeting. It was confirmed that this was the case.

Members noted that the Board would consider the report in the context of reviewing the process undertaken by the Authority. It would be prudent to ensure that the Board undertook the correct angle of discussions in comparison to the statutory role undertaken by the Authority.

CHAIR