

SOUTH YORKSHIRE PENSIONS AUTHORITY

CORPORATE PLANNING AND GOVERNANCE BOARD

18 OCTOBER 2018

PRESENT: Councillor M Stowe (Chair)
Councillors: S Ellis, A Bainbridge, S Durant, A Hurst and
K Wyatt

G Warwick (GMB)

Officers: G Graham (Fund Director), J Bailey (Head of
Pensions Administration), B Clarkson (Head of Finance),
N Copley (Treasurer), G Richards (Senior Democratic Services
Officer) and L Booth (Audit Manager)

A Lince (Deloitte)

Apologies for absence were received from Councillor A Teal
and N Doolan-Hamer

1 APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies were noted as above.

2 ANNOUNCEMENTS

The Chair reminded members that the Annual Fund meeting was taking place at 5.30pm that evening at the Clifton Park Hotel in Rotherham, all were encouraged to attend.

3 URGENT ITEMS.

None.

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

None.

5 DECLARATIONS OF INTEREST

None.

6 MINUTES OF THE MEETING OF THE BOARD HELD ON 19 JULY 2018

RESOLVED – That the minutes of the meeting of the Board held on 19 July 2018 be agreed and signed by the Chair as a correct record.

7 WORK PROGRAMME

The Board considered its Work Programme.

RESOLVED – That the Work Programme be noted.

8 REVIEW OF PENSIONS ADMINISTRATION

The Board considered a report which gave an update on administration issues for the period 1 July 2018 to 30 September 2018.

Staff Changes

The Board noted that one part-time member of the Doncaster District Office had retired in early September and a Team Manager from the office at Regent Street had retired at the end of September.

The vacant Team Manager post would be covered on an 'acting up' basis to 31 March 2019 pending a wider review of the pensions administration function.

Administration Team Performance

The overall performance level for the period was 81% which was a reduction from the previous quarter. This had been anticipated due to the requirement to process all Year End returns in preparation for the issue of the Annual Benefit Statements. Members noted that this would not happen in future due to the switch to Monthly Data Collection.

With regard to the Annual Benefit Statements, the Authority issued statements to 98.52% of its eligible active members by the statutory deadline and 100% of the Preserved Beneficiary Statements.

Members were informed that in the interests of transparency, and following discussions with the Local Pension Board at their meeting earlier in the month, the breach of the statutory requirement to provide statements to all active members by 31st August would be reported to the Regulator. It was hoped that the Regulator would be satisfied by the significant improvements made and the arrangements already in place for 2019.

The Board were informed that work was ongoing to ensure that the target dates for priority cases were a true reflection of the time it took to process the cases.

The software tool to handle the complex "aggregation" cases had enabled the provision of more accurate reporting of the true level of outstanding cases. There were a total of 7,828 cases to be processed which was far higher than the estimated volumes previously reported.

A project team had been established from 1 October 2018 specifically to handle these cases. It was anticipated that it would be a six month process and would be reported to the Board on a quarterly basis.

Employer Performance against SLAs

The Board noted the tables which detailed the Monthly Data Collections (MDCs) expected and received during the months of June, July and August 2018; these were much improved.

There had been continuous engagement with Capita and, although there was some legacy issues, monthly returns had now been received satisfactorily for all three months.

J Bailey informed the Board of new projects to review how the monthly collection process could be developed to improve process efficiency for SYPA and employers.

Staffing Issues

Certified sickness absence had reduced slightly in comparison to the previous quarter.

Complaints

There had been four formal complaints during the reporting period; all had been responded to within the 3-day target response time.

RESOLVED: That the report be noted.

9 BUDGET MONITORING: QUARTER 2

A report was submitted to advise Members of current expenditure levels within the Authority against the approved budget.

The Board noted that there were no unexpected major variances.

Members were informed that the Authority had acquired a new scheme member website which would improve interaction with scheme members. This would cost around £83,000 in the current financial year and would be funded from savings across employees, printing, the sale of software and charges under the Administration Strategy.

RESOLVED: That the report be noted.

10 TREASURY MANAGEMENT: UPDATE

The Board considered a report which gave an update on the treasury management operations of the Authority since the last report in June 2018.

Members noted the following:

- In August the Bank of England Monetary Policy Committee increased the Bank Rate by 0.25% to 0.75% leading to an increase in returns.

- During the period the Debt Management Office facility had not been used.
- Current cash levels were still relatively high but had been reduced gradually over the period.
- The Authority's overdraft facility was renewed on 1 September 2018; this was not used during the period.
- The Authority kept the 'Affordable Borrowing Limits' under review. During the period there had been no need to borrow and the limits had not been breached.

RESOLVED: That the report be noted.

11 KPMG ANNUAL AUDIT LETTER

The Board considered KPMG's final Annual Audit Letter which signed off its work for 2017/18. No substantive issues had been raised.

A Lince from Deloitte, the Authority's new external auditors, was introduced to the Board.

KPMG's files would be reviewed early in November and an Audit Plan developed. The transfer of assets to BCPP was a significant change within the Fund and would lead to a substantial piece of work.

RESOLVED: That the report be noted.

12 INTERNAL AUDIT PROGRESS REPORT: QUARTER 2

L Booth presented the Internal Audit progress report for the period 1st April 2018 to 30th September 2018. The report was in a new style format following feedback from members of the Board.

The Board noted that 29% of the planned days had been delivered. The plan was profiled more heavily to quarters 3 and 4 on the advice from the Fund Director and the Head of Pensions Administration to allow them to fully inform the remainder of the 2018/19 plan.

The report detailed the work completed, the work in progress and peripheral work of the Internal Audit team.

RESOLVED: That the report be noted.

13 CONTRACT STANDING ORDERS: TENDER REPORT

A report was submitted which detailed awarded contracts as required under the Authority's Standing Orders. The report covered the period from October 2017 to the end of September 2018.

Members were informed that the new Contract Standing Orders, approved at the Authority's last meeting, required specific reporting to members in a variety of circumstances and appropriate arrangements would be made within future work plans.

RESOLVED: That the report be noted.

14 RISK REGISTER

The Board considered the Authority's Risk Register.

Members were informed that the Register had undergone a significant review and each risk had been re-scored from first principles.

In undertaking the review, no previously identified risks had been omitted, they were either incorporated within new risks or remained as they were.

The Board noted that a further detailed assessment of the risks and opportunities facing the Authority would be undertaken following completion of the new Corporate Strategy. This work would place emphasis on opportunities as these had not previously been captured.

RESOLVED: That the report be noted.

CHAIR