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## SOUTH YORKSHIRE PENSIONS AUTHORITY

### LOCAL PENSION BOARD

**10 AUGUST 2023**

PRESENT: R Nurennabi (Sheffield Hallam University) (Chair)

N Doolan-Hamer (Unison) (Vice Chair), D Gawthorpe (Unite), N Gregory (Academy Representative), Councillor K Richardson (Barnsley MBC), Garry Warwick (GMB)

C Scott (Independent Advisor to the Board)

Officers in Attendance: G Graham (Director) J Stone (Head of Governance) S Ghuman (Deputy Clerk) N Keogh (Interim Assistant Director – Pensions) A Palmer (Team Leader – Governance) C Knowles (Executive Management Support Officer)

APOLOGIES: D Webster (Employee Representative), Cllr E Hoddinott (Rotherham MBC), Andrew Gregory (Scheme Member Representative)

#### 1 WELCOME, INTRODUCTIONS AND APOLOGIES

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

#### 2 ANNOUNCEMENTS

Second councillor representative has been appointed by Rotherham, Cllr Emma Hoddinott which was agreed last month.

#### 3 ELECTION OF CHAIR & VICE-CHAIR

Following a postal ballot of members of the Board it was confirmed that:

Riaz Nurennabi was elected as Chair of Local Pension Board.

Nicola Doolan-Hamer was appointed Vice Chair.

#### 4 URGENT ITEMS

None

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

Item 18 – Report based on a contract to be dealt with in private.

#### 6 DECLARATIONS OF INTEREST

Claire Scott declared her involvement as an advisor with other funds who are also affected by the pooling consultation at Item 8.

7 MINUTES OF THE MEETING HELD ON 27 APRIL 2023 AND ACTIONS AND MATTERS ARISING

None.

The Board requested that an action tracker be added to future Board papers to provide updates on outstanding actions.

8 REVIEW OF THE CONSTITUTION LOCAL PENSION BOARD TERMS OF REFERENCE

The Head of Governance presented the report.

In debating the report members drew attention to the following issues:

- An inconsistency in relation to the term of office for councillor members. The Director explained that while he was supportive of a 3-year term this was a matter that would need to be agreed by District Councils.
- The need to reflect the regular rotation of the Chair and Vice Chair roles between employer and employee representatives.
- The need for the definition of the employer “constituencies” to reflect the agreed more generalised position.

Members also discussed issues arising from the introduction of allowances which indicated the need for further guidance which officers agreed to take forward.

The Board Resolved:

- a) To recommend to the Pensions Authority that the revised constitution be approved subject to
- b) The inclusion of provision to rotate the roles of Chair and Vice Chair between employee and employer representatives every two years.
- c) The inclusion of the correct definitions of “constituencies” for employer members.
- d) The Authority resolving with the District Councils the term of office for Councillor members.

9 REGULATORY AND POLICY UPDATE

The Director presented the report highlighting key areas of ongoing regulatory development including McCloud Regulations, the Divestment, Boycotts and Sanctions Bill and the Consultation of Future Investments.

A discussion was held on the Consultation on the Future of LGPS Investments, of which the Board sought assurance from the officers around:

- Ensuring appropriate staffing is in place to cope with frequent government changes to legislation.
- Pooling mergers are being looked at from the angle of efficiency and return on investment as opposed to the size, as mergers can involve huge costs.
- The level of control we possess within Border to Coast to make decisions on pooling.

The Authority will respond to the consultation and an officer draft was circulated yesterday to advisers and following comment would be circulated to section 41 members and the Chair and Vice Chair of the Board. Board members were welcome to provide any comments they would like incorporated before it goes to the Authority for approval.

RESOLVED: Members accepted the report.

10 PROGRESS ON ACTIONS RESULTING FROM AUDITS/INSPECTIONS

The Governance Team Leader presented the report.

The Board welcomed the introduction of this report to the Board's agenda. Independent Advisor raised the point that little on Governance was included in the Audit plan.

RESOLVED: Members noted the report.

11 COMPLIANCE WITH PENSIONS REGULATOR CODE OF PRACTICE 14

This paper was for assurance purposes.

It was reported that it is hoped that the new performance system will, in due course, provide oversight of compliance with The Pensions Regulator's codes of practice.

RESOLVED: Members noted the report.

12 LOCAL PENSION BOARD MEMBERSHIP & TRAINING UPDATES

This paper was for information only for assurance purposes.

The Board discussed the knowledge assessments and the recent changes in membership of the Authority and Board. The Head of Governance reported that new members will undertake the knowledge assessment over the coming months. The Director reported that no progress has been made on finding an employer representative to fill the vacancy on the Board and this will be advertised in the next employer bulletin due in October.

RESOLVED: Members noted the report.

13 GOVERNANCE UPDATE

The Head of Governance presented the report.

The key points noted were:

- Pentana Risk Management system due to go live on 24<sup>th</sup> August.
- Changes to the appeals process will be launched in late September/early October.
- Ill Health process is currently under review.

RESOLVED: Members noted the report.

14 PENSIONS ADMINISTRATION QUARTERLY REPORT

The Interim Assistant Director – Pensions presented the report.

Key points highlighted:

- Evaluating whether Service Level Agreements (processing times) are fit for purpose in the LGPS in 2023. Current SLA targets are 5 days for a number of key processes such as retirements and deaths and we are not meeting this. 10 days is common practice across the LGPS and seems to be widely accepted by other scheme members particularly following trend of continuous growth in workload.
- Focus groups held with staff to address backlog issues and a capacity plan has been produced and is being taken through decision making processes.
- Debbie Sharp has now been appointed as a permanent Assistant Director – Pensions to replace Nigel Keogh (Interim Assistant Director – Pensions) and will start in November.

The Board raised several questions including:

- If an increase in the Service Level Agreement would be permanent or temporary
- If the capacity plan anticipates future rises in volumes
- Identifying what bottlenecks are causing the backlogs in Pensions Administration

The Board requested that a project plan which outlined the agreed actions to address the service pressures to be brought to the next meeting.

RESOLVED: Members noted and accepted the report.

15 BREACHES, COMPLAINTS AND APPEALS

The Director delivered the report.

Key points highlighted were:

- Section 5.5 in reference to the five transfer cases, the Authority is currently working with members to reinstate their benefits due to non-compliance.
- Overall number of complaints remains low.
- Cyber Essentials accreditation was achieved this month and currently in the interview process to achieve the Cyber Essentials Plus Accreditation.

The Board congratulated the Authority on its low number of complaints and breaches.

Officers assured the Board that they are on target to produce Annual Benefits Statements by the end of August.

RESOLVED: Members noted the report.

16 RISK REGISTER (UPDATE AND ACTIONS )

The Team Leader – Governance delivered the report.

Key points highlighted were:

- CARE re-evaluation date risk can be closed at the next review.
- Risk P2 linked to the Assistant Director position will reduce further at the next review once the permanent appointment is in place.
- New system Pentana will go live late August, and part of this will focus on the risk register.

The Board raised there was no reference to the backlogs in Pensions Administration highlighted in the risk register. Officers indicated that this was to an extent covered in other risks but accepted that the issue had reached the stage where it should be a separate risk, and this would be reflected in the next review of the risk register.

RESOLVED: Members noted the report.

17 SCHEDULING OF LOCAL PENSION BOARD NEXT MEETING AGENDA

The Head of Governance presented the next agenda.

The Board requested that future agendas are structured under broad subject headings e.g. Governance, Administration etc.

RESOLVED: Members noted the report.

18 PRIVATE PAPERS FROM AUTHORITY MEETING HELD ON 8TH JUNE 2023

The Board discussed a confidential paper which had been considered by the Authority on the status of contract with Civica for the Pensions Administration system.

RESOLVED: Members noted the paper and the course of action agreed by the Authority.

19 LOCAL PENSION BOARD ACTION TRACKER

CHAIR

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**Local Pension Board – Action Tracker**

<b>Meeting Date</b>	<b>Agenda Item</b>	<b>Agreed Action</b>	<b>Responsible Officer</b>	<b>Status</b>
10 August 2023	8	Reflect recommendations from the Board in the Constitution presented to the Authority for approval.	Director/Head of Governance	Open
10 August 2023	9	Share draft response on the consultation of future investments with the Board at the same time it is circulated to the members of the Authority.	Director	Open
10 August 2023	10	More areas of governance to be included on 2024-2025 Audit plan.	Head of Governance	Open
10 August 2023	12	Employer representative vacancy to be advertised in the next employer bulletin.	Director	Open
10 August 2023	13	Appointments coming to an end in the next 6-12months to be brought to the board.	Head of Governance	Open
10 August 2023	13	Present Pentana Dummy report to LPB in the new year.	Head of Governance	Open
10 August 2023	14	Project Plan which outlines the agreed actions to address the service pressures to be brought to the board at the next meeting.	Interim Assistant Director - Pensions	Open
10 August 2023	14	Request the Authority attempts to provide a shorter, more succinct report on pensions administration for future meetings.	Interim Assistant Director - Pensions	Open
10 August 2023	16	SMT to include backlogs on risk register more explicitly.	Director	Open
10 August 2023	17	Future agendas to be structured under broad subject headings e.g. Governance, Administration etc.	Head of Governance	Open

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