

SOUTH YORKSHIRE PENSIONS AUTHORITY

LOCAL PENSION BOARD

27 JANUARY 2022

PRESENT: G Warwick (GMB) (Chair)

Councillor M Chaplin (Sheffield CC), N Doolan-Hamer (Unison), R Fennessy (South Yorkshire Police), D Gawthorpe (Scheme Member Representative), 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 and G Richards

C Scott (Independent Advisor to the Board)

Apologies for absence were received from S Loach

1 WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies 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 MINUTES OF THE MEETING HELD ON 14 OCTOBER 2021 AND ACTIONS AND MATTERS ARISING

Cllr Chaplin asked if there had been any progress in appointing a councillor representative to the vacant position on the Board.

M McCarthy replied that unfortunately there had not been any progress as yet. He would chase the matter up again.

C Scott asked for an update on the office move.

G Graham replied that staff would begin returning to the office working in the new hybrid arrangement from early February. Staff induction had been delivered recently and the feedback had been positive.

The new office space would benefit the organisation in a large number of ways, there was a variety of types of working space allowing for the interaction that had been lost during working from home.

It was confirmed that there was webcasting facilities available and also the option to hold hybrid meetings.

The next meeting of the Board would be held in person at Oakwell House; there was sufficient car parking spaces available with an overflow arrangement in place with Barnsley Football Club if required.

RESOLVED – That the minutes of the meeting of the Board held on 14th October 2021 be agreed as a true record.

7 PROGRAMME OF BOARD MEETINGS 2022/23

A report was submitted to enable the Board to consider its schedule of meetings during 2022/23.

It was noted that the January 2023 meeting date was not suitable for the Board's independent advisor. It was agreed to change the date.

Several members also had problems with some dates. Members were requested to email G Richards with any problematic dates with a view to adjusting the schedule.

J Bailey commented that it would be better to hold Board meetings after the end of each quarter to allow the Quarterly Administration report to be fully up to date.

It was also noted that a date needed to be scheduled in March for the Board's effectiveness review.

RESOLVED – That:

- i) The meeting scheduled for 26th January 2023 to be rescheduled.
- ii) Meeting dates to be scheduled to enable up to date Quarterly Administration reports to be submitted.
- iii) Board members to be canvassed for a suitable date in March for the Effectiveness Review.

8 REVIEW OF THE CORPORATE RISK REGISTER

The Board considered the updated Corporate Risk Register.

It was noted that the latest management review had resulted in several changes to the Risk Register:

- I3 – Effective oversight of Border to Coast – risk removed.
- I6 – Affordability of contributions due to business disruption – score reduced.
- P1 – Maintenance of a suitability qualified and experienced workforce – score increased.

Details of the reasons for the changes were contained within the report.

G Graham informed the Board that this was the second last iteration of this Risk Register. The Risk Register would be considered in the 3-yearly review of the Corporate Strategy. It was intended that the basis for examining risks from April 2022 would go back to the first principle of what was preventing the Authority reaching the objectives of the Corporate Strategy.

A Gregory questioned the reasoning behind removing risks when they had reached their target score as the risk would still be there.

G Graham replied that there was a valid case for leaving risks on the register that had been fully mitigated but it was not a practice that the Authority had up to now. The issue would be considered as part of the wider review.

In response to a question from D Webster, the Director confirmed that the Senior Management Team looked at the Risk Register monthly and every risk was reviewed quarterly.

The Board discussed inconsistencies in the Risk Register, for example some risks had been removed on reaching their target score while others remained when they were below the target score. D Webster noted that some target scores were higher than current.

G Graham commented that officers were learning and building in terms of risk management. Risk was everyone's responsibility and work was ongoing to make staff more aware of risk whilst trying not to make risk management an industry.

RESOLVED – That the Board:

- i) Requests the Authority to look at the policy of removing risks from the Risk Register and to ensure the Risk Register reflects live risks.
- ii) Note the updated Risk Register.

9 PROCUREMENT OF ACTUARIAL SERVICES

A report was submitted to update the Board on the conclusion of the procurement process for actuarial services.

The Board was reminded that the Authority had agreed to undertake a procurement process for actuarial services using the new national framework agreement covering those services.

An invitation was issued to four qualified actuarial firms in September 2021. Having reviewed the Authority's requirements one provider chose not to participate further in the process. The three submitted bids were analysed and interviews held with the bidding firms before a decision was made.

It was noted that, while there were some differences in the quality scores, all three providers would have provided access to technological innovations which would present a step forward for the Authority. The successful provider was differentiated by the fact that they could provide a number of the new tools from day one and had a very clear development path supporting a movement to employer and client self-service for a range of tasks.

Members were informed that the successful provider was Hymans Robertson LLP who had been appointed for an initial period of five years. The transition process to the new provider had nearly concluded.

N Gregory commented that it would have been useful to have sight of the actual scoring rather than just the ranking in each category.

J Bailey replied there was an element of commercial sensitivity in the scoring. Scoring was done on 50% cost and 50% quality; the firm in second place was close to the firm appointed with the third firm much further away.

D Webster queried whether the Board would receive progress updates in advance of the valuation.

G Graham replied that the actuaries would produce a timetable up to the completion of the process at the end of January 2023. It was also planned to engage a wider range of employers and a meeting with the large employers would be arranged for late February/early March.

J Bailey commented that the actuary would be present at the seminar for the Authority and Board in September which would be a specific session on the early outcomes of the valuation.

The Board requested details on what changes employers might see.

J Bailey explained that certain employer costs would be lower and the process for providing accounting information would be streamlined by direct liaison with the actuary rather than the Authority.

RESOLVED – That the Board note the outcome of the procurement process for actuarial services.

10 QUARTERLY ADMINISTRATION REPORT

J Bailey presented the Quarterly Administration Update covering the period 1st October 2021 to 31st December 2021.

Staffing

The report contained a summary of joiners and leavers during the period. There was one joiner, the Support and Engagement Team Manager which meant that all management vacancies had now been filled. The two Pensions Officers who left had both been offered better paid roles in the private sector.

The Board discussed the difficulties in recruiting to public sector posts due to the constraints of the national public sector pay scales.

G Graham commented that work was planned during the next 12 months to try and address this issue.

It was noted that overall sickness absence had reduced during the quarter though the incidence of short-term absence had increased. One third of the short-term absence was directly related to Covid.

Casework Performance

J Bailey informed members that the reporting of performance had been updated to enable easier comparison of like-for-like periods.

Overall case volumes completed during the quarter had increased compared to the previous quarter. This was mainly due to:

- The reduced level of long-term sickness absence.
- Increased focus on casework as resources were not diverted to assist with the Annual Benefit Statements exercise.

It was noted that the improvement in performance may also have been influenced by the fact that staff were able to return to the office for part of their working week for some of Quarter 3, although this was short-lived as further restrictions were imposed.

J Bailey informed the Board that some resource was being focused on aggregations and it was expected that the backlog would be reduced.

Statutory Disclosure Reporting

Appendix A showed the Quarter 3 report for the areas covered under the various disclosure regulations and provided some levels of assurance that statutory targets were generally being met in the main areas.

J Bailey confirmed that not all Pensions Savings Statements had been issued on time due to a number of operational issues. An update would be provided at the next meeting as to the final position and any necessity to report to The Pensions Regulator.

G Warwick commented that SYPA staff should be praised for maintaining the service to Scheme members during the pandemic.

Employer Performance

Members were reminded that employers submitted individual data on a monthly basis. A table within the report showed the current position of monthly returns received in respect of the last three months.

It was noted that the two employers yet to submit returns were in respect of recent admission agreements. These were being pursued with the relevant provider and interest would be charged if appropriate, but the amounts were minimal.

Individual Query Employer Reporting

Appendix B showed the performance in recent quarters for the employers or payroll providers with the highest volume of queries. Since the last meeting, the report had been refined to remove duplications therefore representing a more accurate summary of cases outstanding.

It was noted that trend analysis indicated that some progress had been made with the volumes of outstanding queries from Rotherham and Doncaster Councils (both administered by Rotherham payroll services). Monitoring meetings had continued to be held fortnightly with Rotherham payroll services and they had allocated additional resources to continue their commitment to reducing the outstanding volumes.

Contribution Payments

A table within the report showed the status of payments in respect of contributions due as well as details of outstanding payments, there were no areas of particular concern.

Scheme Member Engagement – Customer Satisfaction

A table within the report showed the overall satisfaction levels from respondents who had recently retired. The percentage of members in the green category remained over 90%. There were eleven dissatisfied members. One member wanted the portal to be more user friendly and provide more assistance with navigation. This would be further developed over the next few months as the ability to retire online was introduced.

Scheme Member Engagement – Customer Centre

The Board was informed that an electronic survey had been issued to 3,534 members who had contacted the Customer Centre by phone over August, September and October 2021 to ask about their experience of service delivery and ideas for service improvements.

Again, over 90% of the respondents were in the green category. The 13% who were dissatisfied was an increase of 7 % from the previous quarter. Appendix C showed the comments that were made.

N Doolan-Hamer commented on the remarks of the person who had phoned on behalf of her husband who was dyslexic who had said that there were not enough options available to those not able to use the internet.

J Bailey replied there was a danger that there was too much focus on the online facilities and there was a need to ensure that there were alternatives available.

The report also gave details on uptake of the online portal, the employer satisfaction survey and annual benefits statements and triennial valuation for 2023.

Pensions Administration System

Members were informed that the gap analysis which had been carried out internally to identify shortfalls in the administration system functionality ahead of the commitment to enter into a new contract in February 2022 had been passed to Civica.

Civica had agreed in principle that a commitment to resolving the issues identified would form part of the requirements under the new service contract. The improvement plan would be shared with the Board when it was available.

In answer to a question from a member, J Bailey confirmed that there wasn't a penalty clause in the contract if Civica failed to deliver but the contract did have an exit clause.

G Warwick thanked J Bailey for a very comprehensive report.

RESOLVED – That the report be noted.

11 REVIEW OF BREACHES, COMPLAINTS AND APPEALS

The Board considered a report which provided an update on the latest available record of reported breaches and provided details of complaints and appeals for the period 1st October 2021 to 31st December 2021.

It was noted that there had been three data breaches and six complaints during the period. Details of these and any follow up actions were contained at Appendices A and B to the report. The report also gave details of two Internal Dispute Resolution Procedure appeals one which was not upheld and the other was partially upheld.

RESOLVED – That the Board:

- i) Note the Breaches summary.
- ii) Note the outcome of complaints received.

12 DATA QUALITY IMPROVEMENT PLAN

J Bailey presented a report which updated members on the latest iteration of the Data Quality Improvement Plan and the data scoring provided to the Pensions Regulator.

Members were reminded that the Pensions Regulator advises that schemes should have a data quality improvement plan in place. SYPA had shared previous iterations of the Plan with the Board but this had been revised on a number of occasions to reflect changing guidance and priorities. The current Data Improvement Plan was maintained by the Pensions Technical Advisor and Appendices A (common data) and B (conditional data) were provided as a summary extract of the current plan which highlighted where individual teams had ownership of specific areas.

The key areas of focus for the next few months were highlighted on the summary plan and the Board had previously agreed this should be presented twice a year.

A Board member observed that the reference to risk within the report referred to data security rather than data quality. The Board agreed that more informed statements about risk and/or reference to specific risks in board reports would be helpful.

RESOLVED – That the Board:

- i) Note the updated Quality Improvement Plan.
- ii) Request that the Authority make clearer references to the Risk Register in future reports.

13 DECISIONS TAKEN BY THE AUTHORITY

A report was submitted which updated the Board on decisions taken by the Authority at its December meeting.

RESOLVED – That the report be noted.

14 UPDATE ON MEMBERS' KNOWLEDGE PROGRESS ASSESSMENTS

A report was submitted to update the progress made in undertaking the Knowledge Process Assessment.

Members were reminded that in order to support the development of a comprehensive learning and development plan for members of the Authority and Board, officers had signed up to the national Knowledge Progress Assessment tool provided by Hymans Robertson. The assessment was delivered through an online tool and was promoted to members over the autumn through the Director's monthly update. The date for submission of data closed before Christmas and received a disappointing response from just 5 members out of a possible total of 23. The 'window' for submission would now be reopened and members were encouraged to complete the assessment which would only take approximately 20 minutes.

C Scott, the Board's Independent Advisor, suggested a final submission date of 28th February followed by an informal Board session in March to discuss the results and look for common areas of knowledge gaps. She offered assistance to members in completing the assessment if required.

RESOLVED – That the Board:

- i) Note the report.
- ii) Agree to the reopening of the Knowledge Progress Assessment with submissions due by 28th February 2022.
- iii) Agree to an informal Board meeting to discuss the effectiveness review to be arranged for March 2022 on a date to be determined.

15 TRAINING FEEDBACK

None.

16 LOCAL PENSION BOARD WORK PROGRAMME

The Board considered the Work Programme.

RESOLVED – That the report be noted.

17 ANY OTHER BUSINESS

G Graham informed the Board that the new website was now live at <https://www.sypensions.org.uk/> with all information now being in one place. Any suggestions or comments from Board members would be welcomed.

CHAIR