



**SOUTH YORKSHIRE
PENSIONS AUTHORITY**

**South Yorkshire Local
Pension Board
ANNUAL REPORT 2022/23**

Foreword

Welcome to the annual report of the South Yorkshire Local Pension Board ('the Board').

The Board seeks to assist the South Yorkshire Pensions Authority to maintain effective and efficient administration and governance. It comprises equal numbers of representatives of scheme members and employers.

On behalf of the Board, I would like to thank the staff at the Authority for continuing to deliver a high-quality pensions service and for the support provided to the Board. The establishment of a new governance team for the Authority has been welcomed by the Board.

Thank you to members of the Board for your continued diligence, support and commitment.

Garry Warwick, Chair



Role of the Local Pension Board

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.

The Terms of Reference are documented in the Board's Constitution which is available of the Authority's website.

Membership during the Year

The Board's membership over the year was as follows:

Name	Date of joining	Nominated by/ Representing	Term of Office (to)
Employee Representatives			
Nicola Doolan-Hamer	July 2015	Unison	June 2024 (3 rd term end)
Garry Warwick (Chair)	July 2015	GMB	June 2024 (3 rd term end)
Daniel Gawthorpe	June 2020	Unite	May 2023 (1 st term end)
Andrew Gregory	July 2019	Selected from active, deferred and pensioner members	June 2025 (2 nd term end)
David Webster	Oct 2019		September 2025 (2 nd term end)
Employer Representatives			
Councillor Mike Chaplin	July 2019 [1]	Local Authority	2 yr District Council appointment (term extended to 2023)
Councillor Ken Richardson	May 2022		May 2024
Councillor Minesh Parekh	Nov 2022		April 2023
Nicola Gregory	Jan 2018	Other employers	December 2023 (2 nd term end)
Riaz Nurennabi	Nov 2022		November 2025
Rob Fennessy (Vice Chair)	April 2019		March 2025 (2 nd term end)
Independent Adviser			
Clare Scott	Oct 2019	n/a	Oct 2025 (2 nd term end)

Meeting Attendance

Member and employer representatives give their time freely. Attendance at the Board's meetings through the year was as follows:

	4 Aug 2022	3 Nov 2022	2 Feb 2023	23 Mar 2023 (Informal)	27 Apr 2023	% Attendance (formal meetings)
Employee Representatives						
Nicola Doolan-Hamer	✓	✓	✓	✓	✓	100%
Garry Warwick	✓	X	✓	✓	✓	75%
Daniel Gawthorpe	✓	✓	✓	✓	✓	100%
Andrew Gregory	✓	✓	✓	✓	✓	100%
David Webster	✓	✓	✓	✓	✓	100%
Employer Representatives						
Mike Chaplin	✓	✓	n/a	n/a	n/a	100%
Ken Richardson	X	✓	X	X	✓	50%
Minesh Parekh	n/a	n/a	✓	X	✓	100%
Nicola Gregory	X	✓	✓	✓	✓	75%
Riaz Nurennabi	n/a	✓	✓	✓	✓	100%
Rob Fennessy	✓	✓	✓	✓	✓	100%
Total Attendance	77%	90%	90%	80%	100%	89.25%

Work of the Board 2022/23

The Board held four formal meetings during the year. A Work Programme provides the basis for the agendas for meetings and includes a range of issues covering both pensions administration and governance:

Pensions Administration:

- **Pensions Administration Performance** – The Board received quarterly administration performance reports.
- **Breaches Complaints and Appeals** - The Board received quarterly reports on breaches, complaints and appeals.
- **Data Quality Improvement** – The Board monitored progress on the Data Quality Improvement Plan.
- **Communications** – The Board periodically reviews and comments on draft communications for members and employers.

Governance:

- **Decisions of the Authority** - Members of the Board receive agenda papers issued to Members of the Pensions Authority and Board members are able to observe meetings of the Authority.

- **Information Governance** – The Board received updates from the new Governance manager and welcomed the additional focus this brings.
- **Actuarial Valuation** – The Board were updated on progress through the year, including the development of and consultation on the Funding Strategy Statement.
- **The Pensions Regulator** – The Board was updated on current levels of compliance with TPR Code of Practice 14 and discussed the regulator's consultation on a single combined code.
- **Risk Management** – Considered the Risk Register and the wider risk management framework. The Board requested that where papers refer to risks, reference to the impact on risk are made clearer.
- **Governance Compliance Statement** – The Authority's Governance Compliance Statement was reviewed.
- **Investment Pool Governance** - The Board considered a review of the Border to Coast Pensions Partnership.
- **Regulatory Changes** – The Board has been kept informed of the potential impact of regulatory changes.

Funding and Actuarial Matters											
LGPS Module 5 Investments	20/09/2022	X	X	X	X	X	X	X	X	X	X
LGPS Module 6 Current Issues	10/01/2023	X	X	X	X	X	X	X	X	X	X
Induction Training	09/06/2022	X									
Actuarial Valuations	15/09/2022	X			X	X		X			
Climate Change Introduction	10/11/2022	X				X		X		X	
Cyber Security Presentation	12/12/2022	X	X	X	X	X	X	X	X	X	X
Briefing on the Emerging Investment Strategy	08/02/2023	X								X	
CIPFA Audit Training	15/02/2023	X									
2022 LGPS National Knowledge Assessment	24/02/2023	X	X	X	X	X	X	X	X	X	X
Effectiveness Review – Briefing on Emerging Investment	23/03/2023	X	X	X	X	X	X			X	X

Strategy revisited											
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Review of Effectiveness

During March 2023, members of the Board completed a survey and held a workshop to agree potential changes in the way the Board works to improve its effectiveness. This was the third time the Board had undertaken such a review. The survey included questions on the way meetings are conducted and knowledge, skills and capacity.

The results of the survey were positive in several areas. All (or a significant majority of) members of the Board agreed that:

- Board papers are timely, relevant and focused on priorities.
- Discussions are facilitated to allow all Board members to contribute to seek opinion and develop ideas.
- Board members are not afraid to ask obvious or simple questions to ensure collective understanding.
- Meeting minutes are accurate and record decisions made and actions agreed.
- The Board works in an open and transparent manner.
- All Board members act with integrity, declaring and managing any personal conflicts of interest.
- The Board's independent adviser helps to Board to fulfil its responsibilities.

The Board agreed that the ongoing improvements from the Board's previous reviews continue to be relevant including improving communication between with the Authority and ensuring any actions agreed informally during meetings are recorded and progress reported. Further improvements were agreed this year including:

- Reducing the time spent in meetings on pensions administration and increase the focus on wider Authority matters, for example the corporate strategy.
- Support the Authority in amending the Board's constitution to require rotation of the chair and vice-chair roles.
- Further development of the approach to the attainment of knowledge, learning from the efforts over the past year.
- Ensuring diversity characteristics of Board members are recorded and monitored.

The Board will work with the Authority to put these improvements in place.

Future Plans

Over the coming year, the Board will continue to consider issues covering pensions administration and governance included in its Work Programme and specifically will work with the Authority to:

- Assess compliance with, and the potential requirements of the Pensions Regulator's new General Code of Practice.
- Oversee the Authority's review of its constitution.
- Oversee the Authority's plans to address pressures in the pensions administration service and to implement scheme changes in relation to the McCloud judgement

Local Pension Board Spending for 2022/2023

Local Pension Board Budget 2022/23

Expenditure	2022/23 Budget	2022/23 Outturn £	2022/23 Outturn Variance £	2022/23 Outturn Variance %
Independent Adviser	7,100	8,160	1,060	14.9%
Member Learning & Development	6,000	9,100	3,100	51.7%
Member Travel Expenses	300	90	(210)	-70.0%
Various - Catering, Printing etc.	250	250	0	0.0%
Total	13,650	17,600	3,950	28.9%

The outturn against the Board's budget for 2022/23 is £17,600 which represents an over-spend of £3,950.

The expenditure in relation to the Independent Adviser is over the budgeted amount mainly because of the impact of having the new Governance team in-house with increased activity requiring additional liaison and input from the Independent Adviser. This increase has been taken into account in setting the budget for the Adviser's fees in 2023/24.

The expenditure on Member Learning and Development is over budget for the year by £3,100. This budget has historically been underspent. The over-spend of £3,000 is due to the cost of participation in the National Knowledge Assessment in February 2023 and the extra analysis, results and consultancy advice provided around this in order to inform the 2023/24 Member Learning & Development Strategy. The remaining budget for Learning & Development was already used during the year reflecting a positive effect of the increased activity and focus on this area. The recurring expenditure includes the Board's share of costs relating to the LGPS Online Academy, in addition to costs of Board members' attendance at the CIPFA LPB Seminar during the year. The budget will be kept under review in the coming year as the new Learning & Development Strategy is implemented and, if necessary, it may be increased.