

SOUTH YORKSHIRE PENSIONS AUTHORITY

LOCAL PENSION BOARD

9 NOVEMBER 2023

PRESENT:

D Gawthorpe (Unite), A Gregory (Scheme Member Representative), N Gregory (Academy Representative), R Nurennabi (Sheffield Hallam University), Councillor K Richardson (Barnsley MBC), Councillor Hoddinott (Rotherham MBC) and D Webster (Scheme Member Representative)

Officers: G Graham (Director), Keogh (Interim Assistant Director - Pensions), J Stone (Head of Governance), Ghuman (Deputy Clerk BMBC), A Palmer (Team Leader - Governance), Knowles and D Sharp (Assistant Director - Pensions)

C Scott (Independent Advisor to the Board)

Apologies for absence were received from G Warwick and N Doolan-Hamer

1 WELCOME AND APOLOGIES

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

2 ANNOUNCEMENTS

The Director introduced Debbie Sharp to the board who has started in post this week as the new Assistant Director – Pensions.

The Director also informed the Board that Nigel Keogh (Interim Assistant Director – Pensions) will be leaving the business today and thanked him for all the work he had produced during his time with the Authority.

3 URGENT ITEMS

None

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

Item 17 – Border to Coast Annual Review deals with the judgements on commercial relations and is to be dealt with in private.

Appendices to the Admin Improvement Report are also private as this is still subject to consultation with staff and the trade unions but the principles can be discussed in public.

5 DECLARATIONS OF INTEREST

Clare Scott declared that she is also an advisor to the Cumbria Pension Fund who are also a Shareholder to Border to Coast.

6 MINUTES OF THE MEETING HELD ON 10/08/2023 AND ACTIONS AND MATTERS ARISING

The Minutes were agreed by the Board.

The Action tracker was also reviewed, and the following changes have been updated:

- Informal consultations have been undertaken and councillor appointments are confirmed to be 3 years for members in place currently. This will be communicated to the district councils and any necessary paperwork will be completed by the Authority alongside this being published on the website.
- Action I3 will be planned for a future meeting as work on Pentana is still ongoing.

Action - The Board requested that all actions from previous LPB meetings this year are backdated on the tracker together with any actions from the effectiveness review and that actions are left open until they have been closed off and carried into the next meeting.

7 REVIEW OF ANNUAL REPORT

The Director presented the report and asked the Board to consider it and make recommendations to improve the presentation of the report and its compliance with relevant guidance.

The Board made the below recommendations to the Authority:

- The Annual report is shared with the Board to review so they can ensure it meets relevant legal requirements and to provide assurance before it goes to the Audit & Governance Committee.
- The Board have a view of the calendar of production for the Annual Report.
- The Report contains less on Responsible Investment.
- A summary of the Annual Report could make it easier for members to understand.

Action – Member Training on page 99 of the Annual report indicates some members have not completed LGPS training despite completing it, this needs to be updated to reflect this.

RESOLVED: Members noted and accepted the report.

8 BORDER TO COAST POOLING CONSULTATION UPDATE

The Director provided the Board with an update on the Investment Consultation. This was the final response, following the draft response which was circulated at the August meeting.

This was accompanied by the responses from the Scheme Advisory Board and the Border to Coast Joint Committee.

The Director explained that the Chancellor is expected to mention this in the autumn statement.

RESOLVED: Members noted the content of the report.

9 UPDATE ON INTERNAL PROCESS FOR INVESTMENTS

The Director presented an update on the Authority's investment process. The Key Points to note were:

- Most effort is focused on improving the oversight process in the next 18 months as the Assistant Director – Investments will retire, and the Authority needs to ensure her knowledge is passed onto the team.
- The Investment Manager who was appointed in post earlier this year is taking some of this risk away and this is working successfully so far.
- A proposal will be brought to the Authority in the new year to set out the process of how the Authority will replace the Assistant Director – Investments upon retirement.

In a response to a question officers explained that the processes around investment and engagement with Border to Coast were audited on a periodic basis.

An independent governance review is also scheduled for Q1 2024.

RESOLVED: Members noted and accepted the report.

10 AUTHORITY/GOVERNANCE RECENT MEETINGS AND DECISIONS INCLUDING PROGRESS ON ACTIONS FROM AUDITS/INSPECTIONS ACTUARIAL MATTERS

The Head of Governance presented the report which highlighted the decisions that were taken as a matter of urgency between Authority meetings.

Key points to note:

- Section 5.2 of the report details one decision which was made since the last meeting, at the Border to Coast Annual Meeting where SYPA was appointed as a shareholder of Border to Coast Limited. Consultation was undertaken with the Chair and the Director, and both approved the resolutions in section 5.3.

The Board commented that the purpose of this agenda item was to consider all decisions of the Authority, not solely those taken between meetings.

Action – The Board requested that future reports include all decisions that were made at recent Authority meetings.

RESOLVED: Members noted the update of decisions taken.

11 RISK REGISTER (UPDATE AND ACTIONS)

The Governance Team Leader delivered the report. This was a standard risk report update following the latest version being reviewed by the Authority in September as part of Corporate Performance review.

The following changes have been made to the Risk Register:

- O5 was successfully completed and has now been removed from the risk register.
- O6 was added as a new risk following an action from the last LPB meeting.

Internal Meetings have been scheduled to review each risk and this will be reported to the Authority in December.

The Board queried G3 (Breakdown of the Control Environment) as to if this risk should be scored higher. The Head of Finance informed the Board that interim measures have been set up internally in conjunction with the internal audit team to provide assurance that we are compliant. As part of the custodian tender, we are working on a replacement for the investment accounting system this will be part of the service. In the interim the spreadsheet we are using is working well therefore not increasing the risk, and by having this as part of the custodian procurement this will significantly reduce the risk.

RESOLVED: Members noted the report.

12 LOCAL PENSIONS BOARD BUDGET SETTING

The Head of Finance delivered the report on the Local Pension Board's proposed budget for 2023/24. Members were recommended to:

- a. Receive and comment on the proposed 2024/25 LPB budget of £38,200.
- b. Recommend the draft LPB budget to the Authority for its approval as part of the Authority's overall budget.

The main change is the addition of the budget for LPB Member Allowances of £18,700 based on assumptions of the number of members in receipt of allowances and an allowance for inflation of up to 3%.

The Board challenged the budget as it appears low. However, the Head of Finance assured the Board that this was realistic.

RESOLVED: Members noted and accepted the report.

13 QUARTERLY PERFORMANCE INDICATORS

The Interim Assistant Director – Pensions presented the report which incorporated item 14 dealing with satisfaction surveys.

The key points to note were:

- Achieved 100% on Annual Benefit Statements issued by the statutory deadline and improvement on the number of Pension Savings Statements issued.
- Customer service satisfaction remains high, and complaints remain low.
- No improvement has yet been made on meeting SLA's for retirement and death cases. However, the action plan seeks to provide solutions to these and will also help reduce backlogs.
- The McCloud project is now past the legal implementation date. The Authority are in the process of installing the necessary software however CIVICA have reported 27 outstanding issues for testing which are complex but hope to have these fixed by the end of the month for testing. Once affected members can be identified,

calculation work can commence but it is not possible to confirm timescales at this stage.

The Board queried a higher number of staff turnover this quarter. The Authority assured the Board this is due to staff retirements and is not a cause for concern.

Action – The Board would like to see more detail on the backlog issues at the next meeting to provide context and give assurance to the board.

Action – The Board requested the Authority attempts to provide a shorter, more succinct report on pensions administration for future meetings.

RESOLVED – Members noted and accepted the report.

14 DATA QUALITY, IMPROVEMENT PLANS AND PROGRESS UPDATES

The Interim Assistant Director – Pensions presented the report. The report highlighted how the Authority are looking to improve administrative performance to reduce the backlogs and manage caseloads more effectively. The Key Points to note are:

- To deliver on these improvements resourcing will have the biggest impact. Staff have been consulted on the proposed Pensions Admin restructure which has been well received.
- Increasing staffing resource will allow the Authority to focus on delivering training and effectively upskilling staff, and then focus on engagement with employers to receive better quality data in the first instance.
- A data improvement plan so the Authority can direct resources where necessary to make process improvements.

RESOLVED: Members noted the report.

15 BREACHES, COMPLAINTS AND APPEALS

The Director delivered the report.

The key points to note were:

- One Stage 1 appeal has been dealt with and learning has come from this to ensure this would be better dealt with in future.
- Breaches have been reported, all of which were human error and the report outlines the action taken and additional controls put in place.
- The number of complaints remains low and in line with previous quarters.
- The Authority have experienced 8 Cyber Security incidents this quarter, 6 of which were genuine. All of these cases were reported by staff and no action was taken which could have led to an increase in risk. This shows the training and awareness providing to staff is having an effect.

Action – Discuss persistent and vexatious complaints at next LPB meeting.

Action – ICT Infrastructure Manager to attend the next LPB to educate members on the Cyber Security measures we have in place at the Authority.

RESOLVED: Members noted the report.

16 BORDER TO COAST ANNUAL REVIEW

The Board discussed the Border to Coast Annual Review which deals with the judgements on commercial relations.

RESOLVED: Members noted the paper.

CHAIR