

South Yorkshire Local Pension Board Annual Report

1 May 2023 to
30 April 2024

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.

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

Riaz Nurennabi , 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 assist the Authority in the following matters:

- a) securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme;
- b) securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator;
- c) such other matters as the scheme regulations may specify.

The Board's Terms of Reference are documented in the Board's Constitution which is available on the Authority's website [here](#).

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 (Vice-Chair)	23/07/2015	Unison	June 2024 (3 rd Term)
Garry Warwick	23/07/2015	GMB	June 2024 (3 rd Term)
Danny Gawthorpe	06/06/2020	Unite	May 2026 (2 nd Term)
David Webster	01/10/2019	Selected from active, deferred and pensioner members	June 2025 (2 nd Term)
Andrew Gregory	25/07/2019		September 2025 (2 nd Term)
Employer Representatives			
Riaz Nurennabi (Chair)	04/08/2022	Sheffield Hallam University	December 2025 (1 st Term)
Ken Richardson	20/05/2022	Local Authority	May 2025 (1 st Term)
Emma Hoddinott	20/07/2023		July 2026 (1 st Term)
Nicola Gregory	18/01/2018	Academies	December 2026 (3 rd Term)
Vacancy	Vacant from April 2023		
Independent Adviser			
Clare Scott	Oct 2019	-	Term ended April 2024

There is currently one employer representative vacancy that we were unable to fill during the year; recruitment is on-going and it is currently anticipated that this will be filled in time for the August 2024 meeting of the Board.

Meeting Attendance

Attendance at the Board's meetings through the year was as follows:

	10 Aug 2023	9 Nov 2023	15 Feb 2024	21 Mar 2024 [Note 1]	25 Apr 2024	% Attendance [Formal meetings to date]
Riaz Nurennabi Chair	✓	✓	✓	✓		100%
Nicola Doolan-Hamer Vice Chair	✓	[Note 2]	✓	✓		75%
Danny Gawthorpe	✓	✓	✓	✓		100%
Andrew Gregory	[Note 2]	✓	✓	✓		75%
Nicola Gregory	✓	✓	[Note 2]	✓		75%
Emma Hoddinott	[Note 2]	✓	✓	✓		75%
Ken Richardson	✓	✓	✓	[Note 2]		75%
Garry Warwick	✓	[Note 2]	✓	✓		75%
David Webster	[Note 2]	✓	✓	✓		75%
Total Board Member Attendance	66%	77%	88%	88%		79.75%
Clare Scott Independent Adviser	✓	✓	✓	✓		100%

Notes:

1. The meeting on 21 March 2024 was the Board's annual effectiveness review.
2. Apologies received.

Board Diversity Characteristics

Recording and monitoring of the Board membership's diversity characteristics is now undertaken in line with the recommendations of the Pensions Regulator and these are summarised in the following chart.



Work of the Board 2023/24

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

Governance:

- **Governance Updates** – The Board received quarterly updates from the Authority’s Head of Governance and Corporate Services on a range of governance-related matters including information governance, audit findings and progress on actions, member learning and development and policy updates.
- **Decisions of the Authority** - Members of the Board received all agenda papers issued to Members of the Pensions Authority and Board members are able to observe meetings of the Authority.
- **Constitution and Terms of Reference** – The Board reviewed and recommended to the Authority for approval an updated Local Pension Board Constitution. The updated Constitution was approved by the Authority on 7 September 2023. The changes made included:
 - Introducing rotation of the Chair and Vice Chair roles to alternate between employer and employee representatives every two years – to help with ensuring continuity, equity in representation and to aid succession planning.
 - Extending the terms of office of Councillor members (representing employers) from two years to three years, as for all other members of the Board to provide consistency between different types of member of the Board.

- **The Pensions Regulator** – The Board received updates on compliance with the regulator’s Code of Practice 14 and updates regarding the new General Code of Practice that took effect from 27 March 2024.
- **Risk Management** – The Board considered the Risk Register at each formal meeting throughout the year.
- **Governance Compliance Statement** – The Authority’s Governance Compliance Statement was reviewed by the Board and recommendations made to the Audit & Governance Committee.
- **Investment Governance** - The Board considered a range of matters related to investment governance during the year – including updates on the Government’s pooling consultation and the Authority’s and Border to Coast’s responses to this, the internal governance relating to investment processes, the annual review of Border to Coast and an update on the process for agreeing to participate in the pool’s real estate investment proposition.
- **Benchmarking** – The Board considered a report on the results of benchmarking exercises undertaken in regard to Investment and to Pensions Administration.
- **Regulatory Changes** – The Board has been kept informed of the potential impact of regulatory changes.

Pensions Administration:

- **Pensions Administration Performance** – The Board received quarterly administration performance reports and considered updates on the software system improvements, monitoring of progress on McCloud remedy implementation.
- **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.

Board Member Learning and Development

Members of the Board are provided with a range of learning and development opportunities and this is planned within the annually updated Member Learning and Development Strategy that encompasses both Board and Authority members.

During the 2023/24 year, members of the Board have participated in the following learning and development events.

Event / Course	Date	Riaz Nurennabi	Nicola Doolan-Hamer	Danny Gawthorpe	Andrew Gregory	Nicola Gregory	Emma Hoddinott	Ken Richardson	David Webster	Garry Warwick
LGPS Online Learning Academy*	2023/24	Completed 2022/23	Completed 2022/23	Completed 2022/23	Completed 2022/23	Completed 2022/23	✓	Completed 2022/23	Completed 2022/23	Completed 2022/23
CIPFA Annual LPB Conference	18/05/2023		✓							✓
SYPA Seminar – Government Consultation on Pooling	02/08/2023		✓	✓				✓	✓	✓
CfGS Training: LPB Scrutiny and Assurance	10/08/2023	✓	✓	✓		✓		✓		✓
LGA – LGPS Fundamentals Training (3 day course)								✓	✓	
Border to Coast Strategic Development Workshop	23/10/2023				✓			✓	✓	
Hymans Robertson Training: TPR General Code including Cyber Security and Scams	26/10/2023	✓			✓	✓			✓	✓
CIPFA LPB Training – Autumn Seminar	08/11/2023		✓		✓					✓

Event / Course	Date	Riaz Nurennabi	Nicola Doolan-Hamer	Danny Gawthorpe	Andrew Gregory	Nicola Gregory	Emma Hoddinott	Ken Richardson	David Webster	Garry Warwick
Responsible Investment Seminar - Climate Change Metrics	14/11/2023		✓		✓	✓			✓	
SYPA - Members Away Day	30/11/2023	✓		✓	✓	✓	✓	✓	✓	✓
LGA – LGPS Governance Conference	18/01/2024 to 19/01/2024		✓					✓		
SYPA Benchmarking Results Presentation: Administration and Investments	15/02/2024	✓	✓		✓		✓	✓	✓	✓
Aon Webinar – The TPR General Code of Practice	21/03/2024	✓	✓		✓	✓	✓	✓	✓	✓

* The LGPS Online Learning Academy is an online tool that all members of the Authority and the Local Pension Board complete as part of the support made available to equip them with the knowledge and understanding required to fulfil their roles. The learning plan comprises 8 modules covering the following topics:

1. An Introduction to the LGPS
2. Governance and Oversight Bodies
3. Administration and Fund Management
4. Funding and Actuarial Matters
5. Investments
6. Current Issues
7. Financial Markets and Product Knowledge
8. Actuarial Methods Standards and Practices

Review of Effectiveness

During March 2024, members of the Board independently conducted an annual effectiveness survey and attended a workshop to discuss potential improvements in its effectiveness.

The Board discussed the progress on the actions from previous reviews and was pleased with the progress made. Actions that are not yet fully completed and remain relevant relate to:

- Providing a shorter, more succinct report on pensions administration for Board meetings.
- Developing a plan to improve succession planning for Board membership.

In relation to the action from the previous review to improve communications between the Board and the Authority, the Board welcomed the joint Away Day held in November 2023 and recognised the established meetings between the chairs and vice-chairs of the Board and the Authority. The Board would welcome a discussion around the purpose and effectiveness of these meetings.

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

- Board papers are timely, relevant and focused on priorities and minutes are accurate and record decisions made and actions agreed.
- Discussions are facilitated to allow all Board members to contribute in order 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, transparent and collaborative manner.
- All Board members act with integrity, declaring and managing any personal conflicts of interest.
- The Board's independent adviser helps the Board to fulfil its responsibilities.

The Board recognised the Authority's increased focus on developing knowledge and skills over recent years and particularly welcomed the joint Away Day for Board and Authority members. Holding training sessions immediately after Board meetings was also welcomed, particularly where linked to content to be discussed at future meetings.

The Board identified and discussed a number of areas for further improvement and potential actions to address these, including the following:

Knowledge, Skills and Capacity:

- Request that the Authority ensures the training plan is linked to the needs highlighted by knowledge assessments and ensure Board members have advance notice of all events.
- Request the Authority provides training/briefings on the issues facing the LGPS at a national level and awareness of the priorities for the Scheme Advisory Report.
- Request the Authority assess the effectiveness of the online reading room for members.

General:

- Board to discuss with the Authority ways in which the Board could have greater input with Authority matters before decisions are made.
- Request the Authority to confirm the arrangements and approach for appointing the Board's Chair and Vice Chair.
- Develop a plan to improve the profile of the Board with members and employers.
- Request the Authority considers its policy in relation to reimbursing care expenses incurred by members undertaking Board business.
- Request the Authority considers its policy in relation to paying remuneration to a member's employer.

The Board will work with the Authority on implementing agreed improvement actions.

Future Plans

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

- Assess and monitor the action plan for compliance with the Pensions Regulator's new General Code of Practice.
- Consider the results of the independent governance review and monitor actions being taken in response to any recommendations arising from this review.
- Oversee the Authority's implementation and progress on the pensions administration improvement plan and implementation of scheme changes in relation to the McCloud judgement.
- Monitor the ongoing succession planning for the Board membership with the aim of ensuring continuity and minimising periods of member vacancies.

Board Expenditure and Forecast Outturn 2023/24

The 2023/24 budget for the Local Pension Board was recommended to the Authority for approval in November 2022 and approved by the Authority as part of the total budget in February 2023.

The expenditure for the year and the variance against the budget is shown in the table below.

Local Pension Board Expenditure 2023/24	2023/24 Revised Budget £	2023/24 Q4 Forecast Outturn £	2023/24 Q4 Forecast Variance £	2023/24 Q4 Forecast Variance %
Independent Adviser	8,530	9,640	1,110	13.0%
Member Allowances	14,000	13,550	(450)	(3.2%)
Member Learning and Development	6,000	9,220	3,220	53.7%
Member Travel & Subsistence Expenses	300	1,030	730	243.3%
Running Costs - Catering, Printing, etc.	300	1,270	970	323.3%
Total	29,130	34,710	5,580	19.2%

Member Allowances

The Authority took a decision in June 2023 to update the Members Allowances scheme to include payment of allowances to Board members and to non-voting members of the Authority. This was implemented from July 2023 and the Authority approved a supplementary estimate to increase the Board's budget for the costs associated with this. The Members Allowances Scheme is available on the website at: [Authority Constitution](#).

Budget Variances

The forecast outturn is an over-spend of £5,580. The significant variances against the budget are as follows.

- a) Additional expenditure of £3,220 on training and development above the expectations when the budget was set at November 2022. Ensuring appropriate and sufficient member learning and development is a priority and the additional expenditure has been incurred due to commissioning specific and tailored training from external providers in order to meet the knowledge and skills requirements in the year. The training expenditure includes costs for:
 - i. the Board's share of the fee for the LGPS Online Learning Academy (LOLA);

- ii. fees paid to Hymans Robertson for delivering training on cyber security and scams;
 - iii. the bespoke training session for the Board on Scrutiny and Assurance delivered by the Centre for Governance & Scrutiny; and
 - iv. Places for individual Board members attending the CIPFA Local Pension Board Conference, CIPFA Autumn training for LPBs, attending the LGA's 3-day LGPS Fundamentals course and the LGA's annual LGPS Governance Conference.
- b) There is a forecast overspend of £1,110 on the costs relating to the independent adviser. This reflects that additional services from the adviser required during the year were slightly higher than estimated when the budget was set.