SOUTH YORKSHIRE PENSIONS AUTHORITY

LOCAL PENSION BOARD

24 APRIL 2025

PRESENT: Riaz Nurennabi (Employer Representative and Chair), David Webster (Employee Representative and Vice Chair), Cllr Ken Richardson (Barnsley MBC), Cllr Linda Beresford (Rotherham MBC), Andrew Gregory (Scheme Member Representative), and Nicola Gregory (Academy Representative)

Neil Mason (Independent Adviser to the Board)

Officers in Attendance: George Graham (Director), Gillian Taberner (Assistant Director – Resources), Debbie Sharp (Assistant Director – Pensions), Jo Stone (Head of Governance and Corporate Services), Joanne Webster (Service Manager – Customer Services), Becci Illidge (Communications Business Partner) and Gina Mulderrig (Governance Officer)

Apologies: Sheldon McClure (Unite) and Shelagh Carter (GMB)

1   WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies were noted as above.

2   ANNOUNCEMENTS

The Chair announced the resignation of Martin Badger who had represented Unison on the LPB since June 2024.

The Chair announced that this was the final meeting for Councillor Ken Richardson who would be stepping down from the Local Pension Board having served the maximum term as a Barnsley Metropolitan Borough Council representative.

The Chair thanked both outgoing members for their service.

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 20.02.2025

RESOLVED: The minutes of the meeting of the Board held on 20 February 2025 were agreed as a true record.

7   REVIEW OF ACTION TRACKER

The Independent Adviser sought assurance that service pressures across all sectors of the Authority, not just Pensions Administration were being tracked and addressed, particularly in relation to the pressure added by the LGPS 'fit for the future' review.

The Director explained that service pressures across all sectors of the organisation were captured in the quarterly Corporate Performance Reports and on the Corporate Risk Register and would be monitored, updated and addressed as the requirements of the Government review on officers and members became clearer.

Members asked for an update on progress on Action 36 regarding the Reading Room. The Assistant Director - Resources explained that the action could be closed once the guide to accessing and navigating the Reading Room, which was under review, was circulated to members ahead of the next meeting.

RESOLVED: Members noted updates and agreed the items proposed to be closed be actioned before the next meeting of the Board.

8   GOVERNANCE, REGULATORY AND POLICY UPDATE

The Head of Governance and Corporate Services presented the report to provide Local Pension Board members with an update on current governance related activity and regulatory matters.

RESOLVED: Members noted the updates included in the report.

9   DRAFT ANNUAL GOVERNANCE STATEMENT 2024/25

The Director presented the report to provide the Local Pension Board with an opportunity to consider and comment upon the draft Annual Governance Statement 2024/25.

The Independent Adviser queried whether the statement should draw particular attention to the risk around the progress of implementing the McCloud Remedy in regard to legality. The Director explained that the AGS was used to capture ongoing and systemic issues rather than one off issues like McCloud. It was explained that risk around implementing the McCloud rectification on time is captured in the Corporate Risk Register and being constantly monitored and updated as progress with the software provider was made. It was explained that open and transparent communication with The Pensions Regulator was important to avoid the delay in progress as constituting a regulatory breach and that a recommendation using the latest information would be made to the Authority in

June 2025 on whether to extend legislative deadlines within the guidance to remain compliant and legal.

The Independent Adviser asked for clarification on how the LPB will be involved in the implementation of the principles in the Annual Governance Statement in relation to Border to Coast Pensions Partnership. The Director explained that the LPB are asked to review SYPA's annual review of Border to Coast Pensions Partnership each year from a process and governance angle and that these reviews and further conversations with the Board need to continue to fully involve the Board and allow them to give assurance to the Authority and to scheme members that positive measures are being approved and implemented.

Members asked further questions regarding points on the Local Code of Corporate Governance, stakeholder engagement, the UK Stewardship Code and the Taskforce on Climate- Related Financial Disclosures.

The Assistant Director – Resources clarified that the Local Code of Corporate Governance describes how the Authority complies with UK professional standards in the CIPFA / SOLACE framework "Delivering good governance in Local Government" (2016) and is reviewed every two years, with the next review due in December 2025. The Annual Governance Statement each year provides an evaluation of how well the governance arrangements set out in the Local Code have worked in practice. The Director gave a recent positive example of stakeholder engagement with the Responsible Investment survey which had been distributed to all scheme members and had a statistically significant take up of 1% with the results currently being analysed before being used to influence the next policy review. In regard to the UK Stewardship Code and the Taskforce on Climate- Related Financial Disclosures, the Director explained that these were voluntary and not subject to audit and may be superseded following the changes required by the outcome of the Government review.

RESOLVED: Members:

a. Reviewed and commented on the draft Annual Governance Statement for 2024/25 and recommended it for Authority approval.
b. Noted that the draft was yet to be updated for the conclusion of the Head of Internal Audit for 2024/25 – this would be added when available.

10   UPDATE ON DECISIONS MADE BY THE AUTHORITY

The Head of Governance and Corporate Services presented the report to provide Local Pension Board members with an update on decisions made by the Authority and its Committees, and any decisions taken under the urgency procedure between meetings of the Authority.

RESOLVED: Members noted and commented upon the decisions included in the report.

11   CORPORATE RISK REGISTER

The Head of Governance and Corporate Services presented the report to provide members of the Board with the opportunity to review the updated risk register which supports the Corporate Strategy.

The Vice Chair queried whether member turnover was considered a risk when scoring Member Knowledge and Understanding on the register.

The Head of Governance and Corporate Services agreed that resignations and change in membership did present a risk, which rose with the onboarding of new members yet to complete the assigned training. It was explained that the introduction of the new individual Learning and Development plans would help reduce risk in this area by identifying and targeting knowledge gaps and aiding in targeting recruitment to ensure continuity of knowledge and skills. This was a year end position and the risk would be reviewed in the new year.

Members asked for further information on the term MDR used in relation to the Cyber Security risk. The Assistant Director – Resources explained that MDR was Managed Detection and Response, a cybersecurity service that provides SYPA with continuous threat monitoring, detection, and response capabilities reducing the risk of cyber breaches and business disruption.

The Independent Adviser asked for assurance that The Pensions Review risk was being monitored. The Assistant Director – Resources explained that this risk was constantly under review and was currently higher than desired due to the uncertainty in the industry.

RESOLVED: Members noted and commented upon the revised Corporate Risk Register.

12   RISK MANAGEMENT SYSTEM - AUDIT REVIEW REPORT

The Head of Governance and Corporate Services introduced the Corporate Assurance Manager who presented the audit review findings on the post implementation review of the Pentana Risk Management System to the Board.

The Corporate Assurance Manager outlined that the scope of the review was to provide assurancethat the system for recording, managing, monitoring and reporting of strategic risks (i.e. Pentana) was fully embedded. The review had found the Authority's Risk Management Framework is fit for purpose, with roles and responsibilities clearly defined and understood, and the risk management system provides an efficient and user- friendly process for identifying, assessing, managing and monitoring risk. The audit highlighted that there is a positive risk management culture within the Authority, with active engagement at different levels, which has been a key factor in the successful implementation of the Pentana Risk Management system.

The Corporate Assurance Manager explained that the review had resulted in one low-priority finding that there were inconsistent levels of understanding on the process to be adopted when closing a risk on the Strategic Risk Register and that

clarity of this process within the planned Supplementary Guidance Documentation would further strengthen the Risk Management Framework.

The Head of Governance and Corporate Services added that the roll out of operational risk registers would commence over the summer.

RESOLVED: Members welcomed the positive outcomes outlined in the audit report.

13   EFFECTIVENESS REVIEW OF LOCAL PENSION BOARD

The Independent Adviser presented the results of the Board's annual review of its effectiveness in 2024/25.

The Assistant Director – Resources presented Appendix B, a proposed action plan in response to the recommendations in the report and explained that Appendix C set out the rationale given for which requests could be implemented and how and which suggestions posed challenges or were covered in projects and actions elsewhere.

The Director welcomed the report and commended the Board's commitment to continuing to raise the profile of the SYPA LPB explaining that strengthening the Board provided a positive feedback loop increasing assurance to the Authority and to scheme members and making the Board an indispensable part of the SYPA governance structure.

The Independent Adviser and the Chair welcomed the suggestion of a review of the LPB Constitution and Terms of Reference to examine if there was any scope to make changes to mitigate risks, especially around membership and succession planning. It was agreed a report on the Constitution and Terms of Reference would be added to the agenda for the August 2025 meeting.

It was agreed that all members of the board would receive draft minutes, with amendments to be collated by the Chair. The minutes would still need to be formally approved at the following meeting.

RESOLVED: Members

a. Agreed the Effectiveness Review report at Appendix A;
b. Considered, commented upon and approved the proposed action plan at Appendix B.

14   ANNUAL REPORT OF THE LOCAL PENSION BOARD

The Head of Governance and Corporate Services presented the draft Annual Report of the Local Pension Board for 2024/25 for members' review and approval.

RESOLVED: Members

a. Approved the Local Pension Board Annual Report 2024/25 as attached at Appendix A;

b. Delegated to the Head of Governance & Corporate Services approval to update the annual report in consultation with the Chair before publication to reflect attendance at and outcomes of this meeting, including the final agreed outcomes of the Board's effectiveness review.

15   QUARTERLY PERFORMANCE REPORT

The Assistant Director – Pensions presented the Pensions Administration Performance Update for Quarter 4 2024/25.

The Independent Adviser asked for clarification on the backlog and the target for clearing it. The Assistant Director – Pensions explained that the target was to clear 100% of the backlog by 31 December 2025. It was requested the next report give a clearer visual representation on what has been cleared and when, what percentage of work remained and the current target for full clearance.

The Vice Chair noted that a lot of the outstanding work involved deferment settlements and aggregation settlements and asked why this was. The Assistant Director – Pensions explained that this was down to the sheer number and the amount of work needed to process these types of cases and the fact that the team were having to clear the backlog alongside processing incoming work to try to avoid a further backlog. It was also explained that aggregation settlements can be very time consuming by generating further work once they started to be processed delaying progress on those cases. It was explained that a suitable internal "taskforce" team within the Administration team was being identified to target the backlog in order to allocate staff in the most efficient way and clear outstanding work by the target date.

The Independent Adviser noted that Civica, the provider of the Pension Administration Software was implementing a release the morning of 24 April 2025 and asked when the next one was scheduled. The Assistant Director – Pensions explained that the next software release was due late May 2025 and that Civica had been struggling with staffing levels but that they have been reconfiguring their workforce in order to catch up and deliver the software developments urgently.

The Chair noted that the Corporate Action – System Improvements was not on target and asked for further detail. The Assistant Director – Pensions explained that this was due to the delay from Civica which was stalling system developments and providing constraints to progression. The Director added that the software needed to be in place before improvements could be made.

The Vice Chair asked for more details on the revised release dates and revised delivery plan. The Assistant Director – Pensions explained that the revised delivery plan was a portal allowing SYPA to see the progress they are making with delivery of the software and to see the dates and targets in real time.

Members noted that an onsite visit was currently being arranged to appraise options and agree matching criteria with Civica regarding connecting to the Pensions Dashboards and asked for further details. The Service Manager –

Customer Services explained that this was scheduled for May 2025 to follow a demonstration to clients.

Members asked how employers would know if they had queries outstanding as listed in the data in the Employer Performance section of the report. The Assistant Director - Pensions explained that limited access to the data was maintained for security reasons but employers could be informed individually, and this issue would be raised with the Service Manager – Employer Services.

Members asked for definition of the term "fettering" used in the Improvement plan. The Assistant Director – Pensions explained that this related to employers' Discretionary Policies and the need to ensure employers do not 'fetter' their use of discretion by making statements that potentially put their policies at risk and make it difficult for employers to demonstrate that all their decisions regarding the policies are demonstrably reasonable in law. The Director added that SYPA is to publish all employer Discretionary Policies (or a link to the policy on the employer's website) on the Authority website in order to ascertain that each employer has one and allow members access to them. It was explained that the Improvement Plan will support employers with producing these functional policies via training webinars.

Members asked for clarification on case rejection data. The Director explained that all work of the Administration team was checked and that it was 'rejected' if incorrect and that this case rejection data allowed managers to identify and target specific areas of work or staff that may need additional or refresher training therefore improving overall quality of output by ensuring work is correct first time.

Members noted the negative feedback from scheme members regarding the New Joiner Survey. The Assistant Director – Pensions explained that the team was working with the IT provider to look at improving customer service particularly in regard to the online portal.

Members queried how often scheme members tended to use the online portal. The Director explained that there were peaks in use dependent on when Annual Benefit Statements and P60 forms were issued and the Assistant Director – Pensions agreed to add data of scheme member access to the Portal to the next quarterly Administration report.

The Chair noted that the deadline to produce and issue Annual Benefit Statements that include the McCloud Underpin was 31 August 2025 and asked about the consequences for not meeting this deadline. The Director explained that the guidelines for implementation had been written so that administering authorities would not be in regulatory breach for missing the deadlines if The Pensions Regulator was aware. It was explained that it was imperative to maintain open and transparent communication with The Pensions Regulator regarding any delays and plans to resolve them and it was noted that The Pensions Regulator was aware of the software development delays due to the provider, Civica, and that SYPA was not the only administering authority affected by delays.

The Vice Chair brought attention to the Appeals, Breaches and Complaints section of the report and the 11 breaches concerning AVCs not being paid at the same

time as the main scheme and asked how this could be improved. The Assistant Director – Pensions explained that better processes and more experienced and trained staff were needed to ensure there were no similar breaches going forward but explained that these 11 incidences related to historic breaches that had been discovered when data cleansing in house AVC contributors in readiness for Pensions Dashboards and were not expected to reoccur.

Members asked about Ill-Health retirement and whether there were standard guidelines employers needed to follow. The Assistant Director – Pensions explained that regulations regarding Ill-Health retirement were very clear and did not vary by employer. It was explained that the criteria for qualification was very strict and that employers could not use discretion on economic grounds to deny the claim. The Director added that employers are not always aware of the steps they need to take when issued with an Ill-Health claim and can cause unnecessary delay and appeals due to failed processes making targeted training to educate employers on their responsibilities, essential.

RESOLVED: Members noted the contents of the report.

16   COMMUNICATIONS,   CONSULTATION   AND   ENGAGEMENT   STRATEGY
      UPDATE

The Communications Business Partner and the Service Manager – Customer Services presented the report to provide members of the Board with the opportunity to review and comment upon the updated Consultation, Communications and Engagement Strategy which supports the Corporate Strategy.

The Independent Adviser asked for further information on the Authority's approach to using accessible language and inclusive communication and how this was measured.

The Communications Business Partner explained that work was being carried out to move to using more accessible language in booklets and letters. The Service Manager – Customer Services added that consultations with focus groups and stakeholders would follow. It was explained that the website offered subtitle and read-aloud options and that options were available so that anyone with a sight or hearing impairment could be accommodated using measures already in place.

The Chair asked for clarification on who was considered a stakeholder. The Director explained that every LGPS fund was required to have a Communications Strategy for communications with scheme members but that SYPA had extended this remit to include employers, local businesses and the wider pensions industry, though priority remained focussed on scheme members.

The Chair asked why the mobile app for pension access was classed as 'not a priority' in the report. The Director explained that SYPA did not yet have capacity to focus on the app and that ensuring the member's portal was correct and functional first was necessary given that the information from the portal would inform the app. The Service Manager- Customer Services added that there had been good scheme

member take up to [MyPension](#) and that ensuring more members signed up and that it functioned well were a priority before developing the app.

RESOLVED: Members noted and commented upon the revised Consultation, Communications and Engagement Strategy.

17   LOCAL PENSION BOARD NEXT AGENDA AND WORK PROGRAMME

The Head of Governance and Corporate Services presented the report to set out the draft agenda for the next meeting of the Board for discussion and included the work programme for the current year and for 2025/26.

Members were asked to note that the review of LPB Constitution and Terms of Reference will be added to the agenda for the August 2025 meeting.

RESOLVED: Members discussed and commented on the draft agenda for the August 2025 meeting as set out in paragraph 5.1 of the report.

CHAIR

CHAIR

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