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SOUTH YORKSHIRE PENSIONS AUTHORITY

LOCAL PENSION BOARD

6 NOVEMBER 2025

PRESENT: Riaz Nurennabi (Employer Representative and Chair), David Webster (Employee Representative and Vice Chair), Cllr David Nevett (City of Doncaster Council), Cllr Linda Beresford (Rotherham MBC), Nicola Gregory (Employer Representative), Andrew Gregory (Scheme Member Representative), Kimberley Bond (Employer Representative) Sheldon McClure (Unite) and Rhona Bywater (Unison)

Neil Mason (Independent Adviser to the Board)

Officers in Attendance: George Graham (Director) Gillian Taberner (Director Designate), Debbie Sharp (Assistant Director – Pensions), Andrew Stone (Assistant Director – Investment Strategy) Jo Stone (Head of Governance and Corporate Services), Annie Palmer (Team Leader – Governance)

1 WELCOME AND APOLOGIES

The Board welcomed Rhona Bywater who has been appointed as the Unison Union Representative and Kimberley Bond who has been appointed as an Employer Representative.

Apologies for absence were received from Shelagh Carter (GMB).

2 ANNOUNCEMENTS

None

3 URGENT ITEMS

None

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

RESOLVED: Item 16 and 17 were considered in the absence of Public and Press by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

5 DECLARATIONS OF INTEREST

Declarations were received from Neil Mason in relation to his role as Director of Surrey Pension Fund and Independent Chair of the London Borough of Hounslow

Local Pension Board and Riaz Nurennabi and Nicola Gregory as participating employers in relation to any valuation items.

6 MINUTES OF THE MEETING HELD ON 7 AUGUST 2025 AND ACTIONS AND MATTERS ARISING

RESOLVED: The minutes of the meeting of the Board held on 7 August 2025 were agreed as a true record.

7 REVIEW OF ACTION TRACKER

Members requested that action 60 in relation to updates to the Constitution remain on the tracker until the outcome of the review of the terms of reference as part of the Board effectiveness review in 2026.

In addition members asked officers to provide an update in relation to progress made since February on action 51 in terms of incorporating the “Days of Work to Target” onto the dashboard for each project. The Assistant Director - Pensions set out the work that was currently taking place with both the Service Manager Benefits and Service Manager - Programmes and Performance to analyse the processing targets and develop an efficient format for monitoring and reporting. It was noted that our target percentage is 100% however more realistic targets are being considered where appropriate. It was explained that once the assessment is complete a plan would be developed and brought back to members for review with a target for quarter one next year for this to take place.

Members were supportive of the adjustment to realistic targets and requested that when the plan is presented that both previous and new targets are captured for comparison.

Members queried if the pensions administration system was impacting negatively on the work to assess the targets. The Service Manager Benefits explained that whilst there were some processes that do not always measure target dates correctly due to being on hold pending further information, this was not the case for a lot of the processes. Members were also asked to note that there are large number of different processes that potentially could be aggregated for reporting purposes.

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

8 GOVERNANCE, REGULATORY AND POLICY UPDATE

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

The report highlighted that the membership of the board is now complete with two new members filling the vacancies with training ongoing for both new and existing

members. Members were asked to note that there was a common trend for members requesting wider knowledge and understanding of Border to Coast and the Authority / Fund's role within the partnership and that Officers are exploring options to support this.

Members queried if there are any FCA compliance issues with the Pensions Dashboard AVC provider arrangements. The Assistant Director – Pensions confirmed that we have three AVC providers. We will be collecting their data from them and taking full responsibility for ensuring that the information links to the dashboard. Members were given assurance that data checks have been carried out and memorandums of understanding will be signed to ensure clarity around the responsibilities of each party.

Members welcomed the positive attendance at external events by board members and commented on the value of attending these events but questioned how feedback and learning can be captured and fed back through to all LPB members. The Head of Governance and Corporate Services agreed to review this with a view to capturing feedback, similar to what currently takes place with our internal seminars.

Members asked for an estimated timeline for a response to the letter sent by the Scheme Advisory Board to the Local Government Minister around the calls to divest from investments that are seen to support the recent conflict in the Occupied Palestinian Territories. The Director explained that the Scheme Advisory Board were awaiting a response but suggested that this would likely take some time, although an update will be provided as soon as available.

RESOLVED: Members noted the updates included in the report.

9 UPDATE ON DECISIONS MADE BY AUTHORITY

The Head of Governance and Corporate Services provided 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.

Members asked for an update on the recruitment process for the Assistant Director – Resources. The Director Designate confirmed that the detailed recruitment timetable would be based on the date set for the Appointments and Appeals Committee which is scheduled to take place on 10 March 2026 and that our partners at North Yorkshire Resourcing will be supporting the Authority with the process.

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

10 CORPORATE RISK REGISTER

The Team Leader – Governance provided members of the Board with the opportunity to review the updated risk register which supports the corporate strategy.

Members asked for clarification on the increase in risk score around imbalance in cashflows and asked why the risk score for affordability of employer contributions had not reduced alongside this. The Director Designate explained that this was due to the timing of the valuation progress and confirmed that there will be a corresponding reduction in the contributions affordability risk score that will be reflected in the next review.

Members also discussed the Pensions Review risk, commenting on the increased consistency of the position resulting in a reduced risk score and asked for assurance that this reflected the potential outcome. They also requested detail around the mitigations being implemented to manage the transition of new partner assets. The Director gave assurance that there is a reasonable level of confidence in the current position and confirmed that although the risk has reduced from red to amber it will still need close monitoring. He explained that the Company's approach to the transfer of partner assets is to run a parallel process for both existing and new assets and these are being resourced individually.

Members commented on the red risks, supporting the rationale for no change at this review, but questioned if there were any issues that they needed to be aware of for each of the risks. The Director confirmed that the risks around the backlogs and McCloud would be discussed in more detail as part of the agenda items and set out the intention to review the climate change risk to assess if it will be appropriate to reframe and apply mitigations that are within the control of the Authority. It was explained that the Investment Strategy review will feed into this and any likely revisions to the risk would materialise during the next municipal year.

Members highlighted that the figures in the summary details in the risk matrix did not tally and it was explained that this is a snapshot of the current position taken from the live system but in future the detail will be pulled from the system at the time of the update.

RESOLVED: Members noted and commented upon the revised corporate Risk Register at Appendix A.

11 INDEPENDENT GOVERNANCE REVIEW ACTION PLAN

The Director Designate presented the report to provide Board members with an update on the progress made on each of the actions that have previously been reported to the Board on the independent governance review (IGR).

The Independent Adviser questioned if and when the Cyber Security Strategy would be presented to the Board for review. The Director Designate explained that the strategy is an internal facing document that has been approved internally and that, due to the nature of its contents, would not be published publicly. In order to give members assurance that cyber security is being addressed appropriately it was agreed that arrangements would be made for the Head of ICT to provide an

update on an annual basis to Board and Authority members. It was also highlighted that the TPR Code update that will be presented to the Board in February will include updates in relation to Cyber Security.

It was also confirmed that the work around the Business Continuity Plan would form part of the TPR Code update in February. The Director Designate provided an update highlighting that the plan has been signed off and teams are now working on the next layer of operational procedures.

Members requested an update around the Investment Strategy project, and it was agreed that an update be provided at the next meeting. The Director confirmed that an update would also form part of the Members Training and Development Day on 20th November and that Board members were invited to attend the Authority and LPB Seminar on the Investment Strategy Review Analysis taking place on the 18 December.

RESOLVED: Members noted the updates and welcomed the progress against the Governance Review action plan.

12 LOCAL PENSION BOARD BUDGET 2026-27

The Director Designate presented the report setting out the current forecast budget outturn for 2025/26 and the proposed budget for 2026/27

RESOLVED: Members

- a. Received and commented on the proposed 2026/27 LPB budget of £52,810.**
- b. Recommended the draft LPB budget to the Authority for approval as part of the Authority's overall budget.**

13 QUARTERLY PERFORMANCE REPORT

The Assistant Director – Pensions presented the Pensions Administration Quarterly Report giving the latest information on work undertaken in Quarter 2 2025-26.

Attention was drawn to the additional detail now included around the movement across membership and members queried if the figures included spouses of deceased members. It was confirmed that the figures did reflect this along with any dependents.

It was noted that the table around reported breaches required retotalling.

The Assistant - Director Pensions highlighted progress around Pensions Dashboards (PDB) and explained the issues around the scope of the penetration testing carried out by the Integrated Service Provider (ISP) not meeting all required PDB criteria. Members commented that the ISP should have checked the PDB requirements and it was confirmed that the ISP acknowledged the gaps in the initial set up and this is now being rectified.

Members questioned what the Authority's liabilities were within the contract for the Pensions Administration System. It was explained that the contract with the

provider is to deliver the system to enable the correct calculation of benefits to allow the Authority to perform its duties under LGPS legislation. The Assistant - Director Pensions clarified that as the Pensions Administrator the Authority are liable for any breaches of legislation that may be due to the failure of the administration system although under the terms of the contract the provider would be liable if any costs were incurred by the Authority due to a failure of the system.

Members asked what the position would be if the current pensions administration system provider took a decision to no longer offer this service. The Assistant - Director Pensions explained that this is not the feedback that is being given from them but if this did happen then a new provider would need to be contracted with, and as discussed earlier in the report this pool is very limited.

A discussion took place around the delayed Pensions Dashboard connection date and it was confirmed that the Authority as administrator would be in breach if connection is not met by end of January 2026 and, as a result, will need to report itself to the Pensions Regulator.

The Independent Adviser commented on the positive formation of the customer collaboration group in relation to the pensions administration software. He also raised a query in relation to the progress of the clearing of backlogs and how work is being targeted within the teams in relation to complexity. The Assistant - Director Pensions confirmed that a plan has been developed that will look to focus resource on more simple calculations to newer staff with a view to freeing up more experience staff to carry out more complex ones.

Members reviewed the figures in the table in relation to casework processing and requested that future reports include the outstanding balances at both the start and the end of the period. Members also requested further detail around the late refund payment breaches reported in the period. The Assistant - Director Pensions explained that, under the current regulations, where a late refund payment exceeds five years this is classed as a breach.

Members questioned if the additional overtime to clear the backlogs had an allocated amount in the budget. The Director Designate explained that overtime is not generally budgeted for but that an underspend in the forecasting on salaries due to vacancies has funded this. It was also highlighted that there is a robust process in place for monitoring health and wellbeing of the staff who are working over the standard hours.

RESOLVED: Members noted the contents of this report with comments.

14 VALUATION 2025

The Assistant Director – Pensions updated members on the 2025 triennial Valuation to comply with Regulation 62 of the Local Government Pension Scheme Regulations 2013 and confirmed that this is on track with the final report scheduled to be present to the Authority meeting in December.

Members discussed the revised approach to setting the floor on contribution rates following feedback from councils that the Authority were being overly prudent and the Assistant Director – Pensions explained the position of needing to protect the fund as well as being fair to employers. The Director also clarified the approach to the calculation of how the floor on contributions has been set.

Members also asked if there was a potential for Multi Academy Trusts to bring together academies from other regions into the scheme under one scheme. It was confirmed that this is currently being consulted on but that the basis to implement a change will be as a result of mutual agreement.

RESOLVED: Members accepted the report with comment and indicated any areas where they would like to receive further detail.

15 SCHEDULING OF LOCAL PENSION BOARD NEXT MEETING AGENDA

The Head of Governance and Corporate Services set out the draft agenda for the next meeting of the Board for discussion and included progress on the work programme for the current year.

Members requested they receive updates on the Investment Strategy at the next meeting and this was added to the agenda.

RESOLVED: Members discussed and commented on the draft agenda for the February 2026 meeting as set out in paragraph 5.1 of the report.

RESOLVED: Items 16 and 17 were considered in the absence of Public and Press by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

16 UPDATE ON POOLING PROGRESS

The Director presented an update to the Board on developments with the pooling process and the admission of new partners to the Border to Coast Pensions Partnership. The report set out the funds that have indicated their intention to join the partnership and highlighted the process for admission. It was noted that the admission of the funds would result in creating one of the largest investment funds in the UK.

Members discussed how the new alliances and decision making would be managed whilst ensuring that the Authority's objectives and investment strategies are still implemented and noted that the mechanisms for this would be developed as the partnership progressed.

RESOLVED: Members noted the progress made with the admission of new partners to the Border to Coast Pensions Partnership.

17 BORDER TO COAST ANNUAL REVIEW

The Assistant Director – Investment Strategy presented the conclusions and recommendations of the Annual Review of the Border to Coast Pensions Partnership conducted with the Investment Advisory Panel.

Members discussed the report noting that the conclusions drawn are largely positive but noted concerns around the people risks and specifically turnover in the Company's senior management team leaving gaps in local government knowledge and expertise. The Assistant Director – Investment Strategy confirmed that this type of change is not unusual in financial organisations. Members also discussed the importance that the public sector ethos and culture needs to be managed by Border to Coast to ensure this continues to be applied by portfolio managers.

RESOLVED: Members noted the content and conclusions and raised questions and challenges for discussion.

CHAIR