

**SHEFFIELD CITY REGION COMBINED AUTHORITY/SOUTH YORKSHIRE PENSIONS AUTHORITY**

**JOINT LOCAL PENSION BOARD**

**14 JANUARY 2016**

PRESENT: G Boyington (Scheme Member) (Chair)

G Berrett (Employer, SYP), S Carnell (Scheme Member), N Doolan (Unison), K Morgan (UCATT), S Ross (Scheme Member), J Thompson (Employer, Action Housing) and G Warwick (GMB)

Officers: J Hattersley (Fund Director SYPA), G Chapman (Head of Pensions Administration SYPA), M McCarthy (Deputy Clerk), A Frosdick (Monitoring Officer) and G Richards (Democratic Services Officer)

Apologies for absence were received from Councillor T Corden, Councillor B Curran and M Priestley

1 WELCOME AND APOLOGIES

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

2 DECLARATIONS OF INTEREST

None.

3 MINUTES OF THE MEETING OF THE BOARD HELD ON 1 OCTOBER 2015

The Chair informed the Board that he and the Vice-Chair had met with officers from the Joint Authorities Governance Unit to discuss the Constitution, Terms of Reference and the Work Programme.

It had been decided to request the Authority's approval to delete most of Section 4 of the Constitution regarding Scheme Manager Consents; a report would be submitted to the next meeting of the Authority in March.

M McCarthy informed the Board that Doncaster MBC has appointed Councillor Tony Corden to the Board; unfortunately he was unable to attend today's meeting.

With regard to an appointment to the Board from First, S Carnell informed the Board that the person he had recommended be contacted regarding making an appointment had since left the Company; he suggested officers should contact B Gilligan, MD of First South Yorkshire.

A Frosdick informed the Board that Unison had accepted the points in his response to their letter.

The minutes of the meeting of the Board held on 1 October 2015 were agreed as a correct record.

4 WORK PROGRAMME

The Board considered the Work Programme.

It was noted that the Risk Register would be presented to the Board at each meeting.

The Work Programme for the meetings in March and July needed to be populated; Members were asked to submit any items they wished to be considered. G Berrett suggested adding items listed in the Terms of Reference each meeting. Officers would work on this and circulate a revised Work Programme ahead of the next meeting of the Board for Members' comments and suggestions.

5 ISSUES FOR CONSIDERATION AS A RESULT OF AUTHORITY MEETINGS

The Chair noted that the requirement to create six or seven British Wealth Funds was of particular concern at the moment. The Authority was in discussion with several other Authorities at the moment regarding investment pooling.

The Board were informed that the Authority had approved a draft Pensions Administration Strategy at its last meeting. The draft Strategy was currently out for consultation with employers; the Strategy allowed for the Authority to fine employers who did not submit timely data. If given approval, it was hoped to introduce the Strategy on 1 April 2016.

S Ross commented on the Civica presentation at the Authority meeting which highlighted the huge problems connected with the implementation of the new Pensions Administration system; it was thought the system was not fit for purpose when released.

The Chair noted that the situation was now more stable as the Administration staff had developed the system and built up expertise. More senior staff from Civica had been invited to the March meeting of the Authority to answer questions posed by Members, including recompense for the £50,000 in overtime payments the Authority had to pay in order to reduce the backlog of work caused by the problems with the system.

6 ANNUAL FUND MEMBER SURVEY

Members considered a report which informed them of the results of a survey carried out amongst scheme members with a view to testing customer satisfaction following their attendance at the Annual Fund Meeting.

It was noted that numbers were again disappointing despite every attempt to engage with scheme members; location could make a difference and the meeting would be held in Sheffield next year where the numbers were generally higher.

J Thompson commented that she had attended the meeting and overall it was very positive although the time for questions was too short and due to time constraints it was not possible to promote the SY Joint Local Pension Board as intended.

It was noted that in general it was the same members who attended and these were, in the main, pensioners. Active members did not seem to be interested, even during the implementation of LGPS 2014.

G Chapman informed the Board that for the first time the meeting had been webcast live; a very small number had watched it.

J Hattersley commented that guest speakers had been used in the past, as had a lunchtime meeting, but neither had made a difference to attendance. This year, members had been encouraged to submit questions prior to the meeting. The answers to these questions had been included in the presentations, making them longer and hence less time at the end of the meeting to answer further questions.

The Chair noted that attendance at the Employers Forum had also been disappointing.

## 7 REVIEW OF RISK MANAGEMENT POLICY

M McCarthy informed the Board that at its meeting on 3 December 2015 the Authority had agreed to a comprehensive review of its Risk Management Policy and Risk Register. This would be carried out with the assistance of A Hunt, Risk and Governance Manager at BMBC.

The current Risk Management Policy and Risk Register were attached for Members information. It was hoped to develop a whole new approach to presentation including stronger links between operational and strategic risk.

It was intended to hold a Workshop to discuss the options available; officers would seek the Authority's approval for LPB members to attend.

Members were requested to submit any suggestions they had for the review; officers would keep them informed of developments.

## 8 2016 ACTUARIAL VALUATION: UPDATE

G Chapman informed the Board that it was now the final quarter before valuation day and staff were working hard to ensure employers submitted pay and contribution data by 31 May 2016.

The revised year-end template had been issued to all employers along with an amended guidance note, this was backed up with the offer of further guidance and assistance if required - there had been very little response from employers to date.

If the Authority has approved the Pensions Administration Strategy to commence on 1 April 2016, this would be implemented on employers who missed the deadline

as late submission of data could affect the valuation. The Authority expected all employers to abide by the Strategy; someone from each employer would be expected to sign the strategy to confirm they had read and understood it.

The valuation software was currently being tested to ensure the data could be sent to the Actuary on 1 July 2016; the test would prove whether Civica had delivered the promised improvements.

9 GOVERNMENT CONSULTATION ON REVOKING AND REPLACING THE MANAGEMENT AND INVESTMENT OF FUNDS REGULATIONS

The Board were reminded that Government had issued consultation and guidance papers relating to the pooling of LGPS investments to reduce costs, with an emphasis on improved governance and infrastructure investment.

J Hattersley informed the Board that South Yorkshire was not a typical Authority as it was one of only three or four internally managed funds in the country. These proposals would cost the Authority money; it was impossible to achieve savings.

Members and officers had attended many meetings and presentations to discuss various pooling options. At its meeting earlier in the day, the Authority had selected the pool it preferred to join. J Hattersley informed the Board of other members of the pool, noting there would be no dominant member in the pool and the other Authorities shared the same general philosophies as South Yorkshire.

If the Passenger Transport Pension Committee agreed to the proposal at its meeting next week, the two South Yorkshire Funds would travel together; a public announcement would be made in due course. An individual and pool response to the consultation would be submitted to DCLG by the deadline in mid-February.

10 ANY OTHER BUSINESS

With regard to the £15,000 LPB Budget, J Hattersley enquired how the Board wanted this translating in the accounts. There were three options on how to allocate the budget:

1. Split between the funds by fund membership;
2. Split by Board membership; or
3. Allocated by actual expenditure.

The Board felt that Option 1 was unfair due to the differences in membership of the funds and Option 3 would be too onerous to administer.

S Carnell proposed that Option 2 be adopted, this was seconded by G Boyington.

RESOLVED: That the LPB budget be allocated on the basis of Board membership - i.e. on a 10/2 split.

11 DATE OF NEXT MEETING

The next meeting of the Joint Local Pension Board will be on 17 March 2016 after the meeting of the Pensions Authority at a time to be decided.

CHAIR