

Date: 13 July 2016



SOUTH YORKSHIRE
LOCAL PENSION BOARD

To: ALL MEMBERS OF THE SOUTH YORKSHIRE
JOINT LOCAL PENSION BOARD

18 Regent Street
Barnsley
South Yorkshire
S70 2HG

www.southyorks.gov.uk

This matter is being dealt with by: Gill Richards

Direct Line: 01226 772806

Email: grichards@syjs.gov.uk

Dear Member

SOUTH YORKSHIRE JOINT LOCAL PENSION BOARD
WEDNESDAY 20 JULY 2016

A meeting of the South Yorkshire Joint Local Pension Board will be held at **12.00 pm** on **Wednesday 20th July, 2016** at the **offices of the South Yorkshire Pensions Authority, 18 Regent Street, Barnsley, S70 2HG.**

Car parking will be available at the rear of the building.

The agenda is attached.

Yours sincerely

D Terris
Clerk

Encs

Distribution: Glyn Boyington (Chair), Geoff Berrett, Steve Carnell, Cllr Tony Corden, Cllr Ben Curran, Nicola Doolan, Kevin Morgan, Melanie Priestley, Susan Ross, Jill Thompson (Vice-Chair) and Gary Warwick.

Terms of Reference

1. Administration

- 1.1 Monitor and review the performance of Scheme administration including suggesting any changes to Service Level Agreements.
- 1.2 Monitor, review and report on the receipt of contributions.
- 1.3 Monitor investment manager reports.
- 1.4 Review the format, timing and source of management information presented to the Board.

2. Auditors

- 2.1 Monitor and review the appointment and performance of the auditors.
- 2.2 Monitor and review the Annual Report and accounts.
- 2.3 Review the recommendations produced by audit and give consideration to what action should be taken and make recommendations to the Scheme Manager as appropriate.
- 2.4 Monitor and Review the Work Programmes for the Pensions Authority and its Boards and the South Yorkshire Passenger Transport Pension Fund Committee.

3. Internal Controls and Risk Register

- 3.1 Monitor and review the Authority's Risk Register.
- 3.2 Monitor internal controls and procedures of the Pensions Authority.

4. Communications

- 4.1 Monitor and make recommendations as appropriate on:-
 - The information available on the SYPA internet site
 - The information provided to Scheme members on leaving, retirement etc.
- 4.2 Produce an Annual Report upon its activities to be submitted to the Pensions Authority.
- 4.3 Produce reports and make recommendations to the Pensions Authority that relate to the work of the LPB. Any reports must be provided at least ten working days in advance of the next Pensions Authority meeting.

5. Monitoring and the Exercising of Discretions

- 5.1 Monitor the validity of any discretions made by the employers/Administering Authority.

6. Budgets

- 6.1 Agree a yearly budget for the operation of the Local Pension Board and submit to the Authority for approval.
- 6.2 Monitor the level of fees against the annual budget set for the Pensions Board.

SOUTH YORKSHIRE JOINT LOCAL PENSION BOARD

WEDNESDAY 20 JULY 2016 AT 12.00 PM

AGENDA

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Agenda Item 3

SHEFFIELD CITY REGION COMBINED AUTHORITY/SOUTH YORKSHIRE PENSIONS AUTHORITY

JOINT LOCAL PENSION BOARD

17 MARCH 2016

PRESENT: G Boyington (Scheme Member) (Chair)

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

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

Apologies for absence were received from Councillor T Corden, Councillor B Curran, N Doolan, S Carnell, F Foster and A Frosdick

1 WELCOME AND APOLOGIES

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

Apologies were made regarding the late start to the meeting; the preceding Pensions Authority meeting had lasted longer than anticipated due to long debates around the Civica administration system and the Authority's Climate Change policy. Officers would strive to better "guesstimate" the length of preceding meetings to avoid LPB members having a lengthy wait before meetings.

2 DECLARATIONS OF INTEREST

None.

3 MINUTES OF THE MEETING HELD ON 14 JANUARY 2014 AND MATTERS ARISING

With regard to minute 3, the Board was informed that earlier in the day, the Pensions Authority had approved the requested amendments to the Boards' constitution. Subject to SCRCA also agreeing the constitution would be updated accordingly.

With regard to the review of the Risk Management Policy and Risk Register, M McCarthy informed the Board that A Hunt, Risk and Governance Manager at Barnsley MBC, had met with J Hattersley and G Chapman to discuss SYP's requirements and to ensure a proportionate approach.

Further work was now ongoing to develop draft Risk Management Policy and Risk Register for submission to a future SYPA meeting. The planned Risk Workshop had not taken place due to time constraints, but Members of the Board would be kept up to date and comments and suggestions sought before the updated documents were presented to SYPA for approval. If necessary, an extra meeting of the LPB could be arranged to discuss the matter in more detail.

A Hunt would be invited to a future meeting of the Board to discuss risk management in detail with Members.

The minutes of the meeting of the Board held on 14 January 2016 were agreed as a correct record.

4 WORK PROGRAMME

The Board considered its Work Programme.

G Berrett commented that the Work Programme should reflect the Boards Terms of Reference so the Board could be confident that it was able to fulfil its role.

The Chair commented that it would be useful to look at the Work Programmes for the two Authorities (and Boards) and mirror this in the Board's Work Programme to enable the Board to make timely comments on current issues.

Officers kept Members up to date between meetings by email and the supply of links to all meeting agendas; S Ross commented that the minutes on the Authorities website provided a good overview of current issues.

It was agreed that the Work Programme be developed further for the next meeting of the Board.

5 PENSIONS AUTHORITY MEETING CYCLE

Members considered the 2016/17 Pensions Authority meeting cycle which had been approved by the Authority at its meeting earlier in the day.

The Board agreed to continue holding their meetings after meetings of the Authority or its Boards.

It was noted that the meeting of the Investment Board scheduled to be held on 23 June 2016 would have to be rescheduled due to a clash with the EU Referendum.

Joint Local Pension Board meeting dates were confirmed as:

20 July 2016
6 October 2016
12 January 2017, and
16 March 2017.

6 ADMINISTRATION STRATEGY

The Board considered the Pensions Administration Strategy which would be introduced by SYPA on 1 April 2016 and implemented on a phased basis. It was hoped that SCRCA would approve its adoption from 1 May 2016.

J Thompson commented that the Action Housing management team had welcomed the strategy.

The Board discussed the implications of the announcement in the recent Budget that all schools would become academies by 2020. The Board commented that a strategy and plan would need to be in place to accommodate the possibility of hundreds of new employers, making it clear what was expected of them and the position on any deficits.

G Chapman agreed, informing the Board that a system was already in place which would be reinforced by the Pensions Administration Strategy.

A report on how the Authority planned to deal with the situation would be submitted to the Pensions Authority in due course; the Local Pension Board would be kept up to date with the situation and asked to comment where appropriate.

7 INVESTMENT POOLING UPDATE

J Hattersley confirmed to the Board that the Authority's preferred investment pool was Border to Coast (B2C) which comprised of Bedfordshire, Cumbria, Durham, East Riding, Lincolnshire, North Yorkshire, Northumberland, South Yorkshire, South Yorkshire Passenger Transport Fund, Surrey, Teesside, Tyne and Wear and Warwickshire. The pool would have combined assets of approximately £36 billion. Within the pool, South Yorkshire and Tyne and Wear were the largest with SY Passenger Transport Fund being by far the smallest. South Yorkshire, East Riding and Teesside had a degree of internal management.

A response to the Government's consultation had been submitted at both Authority and Pool level by the deadline of 19 February 2016. Government's response to the proposal was still awaited.

Guidance regarding the legal structure of pools was still outstanding. B2C was likely to use the Authorised Contractual Scheme and joint committee approach if agreed by Government.

Some pools were discussing with each other a joint approach with regard to infrastructure investment.

The Board were informed that establishment costs estimates would not be less than £150,000 per fund. This caused concerns for smaller funds, like the SY Passenger Transport Fund, especially since their largest allocation of fund assets would likely be held outside the pool.

S Ross queried whether there was any provision for government assistance for these large costs. J Hattersley replied that the government had made it clear from the outset that funds would have to bear all costs.

The Chair commented that there seemed to a lot of unanswered questions especially considering the tight timetable and queried whether the costs involved would have any impact on members' benefits.

J Hattersley replied that benefits were statutory but there might, eventually, be an increase in employers' contributions, albeit minor.

Officers would keep the Board up to date on any future developments.

8 EXTERNAL AUDIT ARRANGEMENTS

The Board considered a report which informed them of the external audit arrangements following the closure of the Audit Commission on 31 March 2015. The local government contracts had recently been extended to cover the audits for the 2017/18 financial year. This meant that the Authorities would need to appoint their own auditor with effect from the 2018/19 financial year.

The SYPA Corporate Planning and Governance Board had considered the report, along with the attached KPMG paper, at its November meeting; SCRCA Passenger Transport Fund Committee in September. The selection of the external auditor had been added to SYPA Work Programme for 2016/17.

SYPA would be developing a strategy for the appointment of the external auditor which LPB members could be involved with.

A Member questioned the audit arrangements for the Local Pension Board. The Board were informed that officers had asked both CLG and the LGA for guidance and had been advised that it was up to administering authorities to satisfy themselves with regard to the LPB budget.

The Chair commented that with such a small budget it would not be worth appointing an external auditor; internal audit would be sufficient.

G Berrett agreed that it would not be proportionate and suggested that the Board should be monitoring its own budget with a simple budget monitoring report submitted to each meeting.

RESOLVED - That a Budget Monitoring report be submitted to each meeting of the Local Pension Board.

CHAIR

WORK PROGRAMME

14 January 2016	17 March 2016	20 July 2016	6 October 2016
Minutes of the previous meeting & matters arising	Minutes of the previous meeting & matters arising	Minutes of the previous meeting & matters arising	Minutes of the previous meeting & matters arising
Work Programme	Work Programme	Work Programme	Work Programme
Issues for consideration as a result of Authority meetings	Issues for consideration as a result of Authority meetings	Issues for consideration as a result of Authority meetings	Issues for consideration as a result of Authority meetings
Risk Management Policy	Risk Register	Risk Register	Risk Register
SYP Annual Fund Meeting Survey	Pensions Authority Meeting Cycle	Budget	Review of Work Programmes
2016 Actuarial Valuation Update	Administration Strategy	Review of Constitution & Terms of Reference	SYP Annual Fund Meeting
Investment Pooling Update	Investment Pooling Update	Member Learning & Development Update	Review of Information Provided to Scheme Members
	External Audit Arrangements	LPB Annual Report	
		CIPFA LPB Survey	

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SOUTH YORKSHIRE PENSIONS AUTHORITY

SOUTH YORKSHIRE JOINT LOCAL PENSION BOARD

20th July 2016

Report of the Clerk to the Authority

RISK MANAGEMENT ARRANGEMENTS – SOUTH YORKSHIRE PENSIONS BOARD.

1) Purpose of the Report

To update Members / colleagues regarding the developing Risk Management arrangements for the South Yorkshire Pensions Authority.

2) Recommendations

Members are recommended to:

- a) **Note the developing Risk Management arrangements for South Yorkshire Pensions Authority; and,**
 - b) **Agree to continue to receive periodic updates regarding the Risk Management arrangements for South Yorkshire Pensions Authority during 2016/17.**
-

3) Background Information

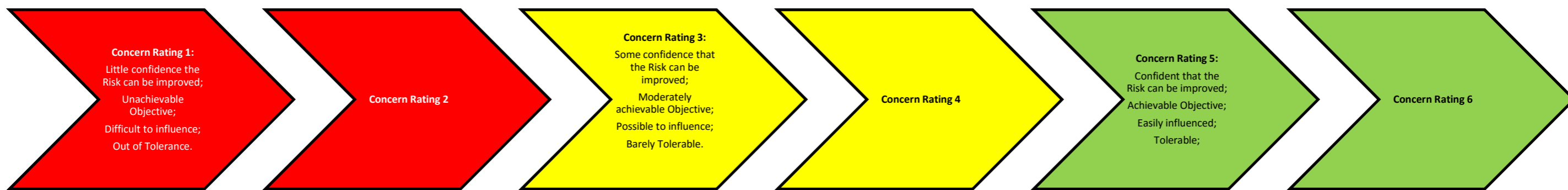
- 3.1 The Risk and Governance Manager (BMBC) met and agreed a scope to develop the risk management arrangements for South Yorkshire Pensions Authority in liaison with the Clerk to the Authority, the Fund Director and the Head of Pensions Administration in early 2016.
- 3.2 A Risk Management workshop was subsequently delivered to the Pensions Management Team in February 2016. Following this workshop, a draft Risk Register was developed, and circulated to workshop attendees in March 2016.
- 3.3 A further meeting between the Risk and Governance Manager (BMBC), the Fund Director and the Head of Pensions Administration took place in April to further refine the draft risk register, and to agree further actions.

- 3.4 The further actions agreed include:
- Development of a draft Risk Management Strategy;
 - Development of Risk Management training opportunities for Members, and officers; and,
 - Consideration of appropriate review periods for the risk register.
- 3.4 A copy of the South Yorkshire Pensions Authority risk register is attached as Appendix One to this report.
- 4) Implications and risks
- Financial – there are no direct financial implications arising from this report. However, Risk Management is a key element of the Authority’s corporate governance arrangements and will contribute towards assurances therein.
 - Legal – there are no direct legal implications arising from this report. However, Risk Management will assist in ensuring the Authority is compliant with appropriate laws and regulations.
 - Diversity – there are no direct Diversity implications arising from his report.
 - Risk – Risk Management is a key element of the Authority’s corporate governance arrangements, and the development of a Risk Strategy, risk register and associated documents (a ‘Risk Management Framework’) will significantly contribute towards the Pension Authority’s ability to understand and take managed risks.

Adrian Hunt
Risk and Governance Manager (BMBC)

01226 77 3119
adrianhunt@barnsley.gov.uk

Background papers used in the preparation of this report are available for inspection at the offices of the Authority in Barnsley.



Priority	Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Feb-16	Aug-16	Feb-17	Aug-17	Risk Mitigation Action	Owner	% comp	Review Date	Recovery Plan
Page 9	001	Failure to ensure there are appropriate succession plans in place to ensure employees are given opportunities to demonstrate their capability to 'step-up' to more senior roles	Leading to... Knowledge gaps; Negative impact on existing / remaining employees; Business Continuity and resilience issues; Negative impacts on service delivery; Poor performance and non-delivery of targets; Reputational damage; Potential knock on effects where knowledge gaps could appear in areas where employees have been promoted from;	Head of Paid Service	Training of employees; Sharing of information; Use of minutes and central resources to ensure employees are well informed; Involvement in all issues of management teams to ensure continuity; No immediate competitors for recruitment in the Pensions industry; Procedures well documented; Currently carrying some vacancies to provide some flexible options; Need to provide full Business Case prior to any recruitment being undertaken; External HR support in place; Authority Management Committee in place; BMBC HR support;	2				Meeting with Pensions recruitment specialists to assist in identifying existing employees who are appropriate for succession planning	Head of Paid Service		30/06/2016	
										Delivery of internal Training Programme 16/17	Head of Paid Service / Pensions Manager		30/06/2016	
	002	Failure to ensure that the Elected Members knowledge and understanding of Pensions related activities is robust, and meets the statutory requirements in terms of Section 248a of the Pensions Act 2004	Leading to... Improper scrutiny and challenge by Elected Members; Mistakes, Errors and omissions and non-compliance with statutory requirements; Failure to ensure contributions are collected; Failure to ensure benefits are calculated properly; Failure to ensure surplus monies are properly and prudently invested; Reputational damage in terms of censure from regulators;		Induction training provided to new Members which comprises a three day external training course; One day internal refresher course in 2013; Periodic awareness presentations delivered to Members; A self assessment framework for Members and Chairs is in operation but needs refining - this should assist in identifying training requirements; Lead Member for training identified; Working to the spirit of the CIPFA Code of Practice (Code of Practice on Public Sector Pensions Finance Knowledge and Skills, revised in 2013) - Treasurer is the nominated CIPFA officer; Production of Annual Report which includes commentary on Members training activities; External training augmented by internal training;	5				Review of Members self assessments	Treasurer		30/06/2016	
	003	Failure to ensure that required pay and contributions data from customers is provided in an accurate and timely manner	Leading to... Negative impacts on operational targets; Inaccurate information being given to employees and pensioners resulting in complaints, customer dissatisfaction and reputational damage;		District Group Meetings between officers; Regular reports on progress submitted to Corporate Planning and Governance Board; Standard item on South Yorkshire Treasurers Association meetings; Practitioner officer working group established; Ongoing liaison with External Audit; Pensions regulator responsible for regulating schemes and is able to fine and censure those responsible for inaccurate or late information; Enhanced and more robust Service Level Agreements between customers and Authority; Pension Strategy approved by Authority - reviewed and revised version in place for 01/04/2016 - incorporates SLA's and improves upon them in terms of fines being levied for customers who are non-compliant;	2				Monitor and Review the implementation of the Pensions Strategy 16/17	Vice Chair (Corporate Governance and Planning Board)		30/06/2016	
									Investigate move to monthly postings of contributions	Pensions Manager		30/06/2016		
004	Failure to ensure that social, environmental and other factors such as the use or endorsement of fossil fuel, obesity and tobacco by companies in which the Fund invests are considered when making investment decisions	Leading to... Non-achievement of investment objectives; Failure to protect and enhance the economic value of the companies the Fund invests in; Reputational damage;		Internal policy documents in place; Awareness information circulated within Investments Team; Membership of various pressure groups; Reports to Members Oversight Board; Awareness of balance between risk (investing in companies that may have an interest in fossil fuel, obesity and tobacco) against reward (high yield investments); Members have embraced the approach exhorted by Professor John Kay in his 2012 'Review of equity markets and long term decision making' and the phrase 'voice over exit'; Pensions Climate Change Policy Document published and feedback received; Statement of Investment Principles in place; Performance reports include information on investments made;	4				Reports to members regarding the performance of investments	Head of Investments		30/06/2016		

Priority	Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Feb-16	Aug-16	Feb-17	Aug-17	Risk Mitigation Action	Owner	% comp	Review Date	Recovery Plan
	005	Failure to ensure that the deposits held with banks and other financial institutions is repaid on the agreed due date (Credit Risk)	Leading to... Financial loss; Negative impact on overall financial viability of the scheme;		Treasury Management Strategy requires that deposits are not made with financial institutions unless they meet identified minimum criteria set by the Authority; Maximum sum to be invested identified for each institution; Credit monitoring arrangements in place; Financial references obtained for institutions that the Authority may potentially invest in; Actuarial evaluation undertaken in 2010, and March 2013;	5				Monitor and Review 16/17	Head of Investments		30/06/2016	
	006	Failure to ensure that the Authority has appropriate access to its cash resources to meet its commitments to make payments (Liquidity Risk)	Leading to... Financial loss; Negative impact on overall financial viability of the scheme; Inability to meet pensioner payroll costs and investment commitments;		The Fund has immediate access to its cash holdings with the majority of cash being deposited for no longer than a week, and no cash being deposited for more than a month; Actuarial evaluation undertaken in 2010, and March 2013; Assumptions within Actuarial report (mortality and commutation rates) unchanged for previous evaluations; The Authority works to the principle of 'collect, handle, secure and invest';	5				Ensure Actuarial Review in 2016 considers the new contribution rates in place from April 2017	Head of Investments		30/06/2016	
	007	Failure to ensure the Authority protects the data it owns, and the data it handles	Leading to... Loss of personal information resulting in reputational damage and censure by Information Commissioner; Loss of trust from partnering organisations; Successful attacks by hackers or third parties; Disruption and delays;		Data back up undertaken daily and backed up information removed from site; Disaster Recovery procedures and Business Continuity Plan in place; External Audit by third party organisations the Authority works with; Security of emails via GSX accounts or the use of Mimecast software; IT Security Policy in place; Reporting of incidents to Information Commissioner; Information Governance training included in training programme; BOLD training available via BMBC; Data Protection Officers no longer in post within SY Pensions; Contract management arrangements regarding the software provided by SY Pensions to third parties includes performance management consideration; Liaison with Landlord regarding improvements to physical security of Regents Street Offices such as lock on doors undertaken; Mandatory Data Protection training in place;	3				Bi-Annual review of BCP Roll-out of Windows 10 to enable hard drives to be encrypted Review of where data is stored to ensure is can not be extracted Provision of online training to employees 16/17	IT Manager IT Manager IT Manager IT Manager		30/06/2016 30/06/2016 30/06/2016 30/06/2016	
	008	Failure to ensure that the reconciliations between SY Pensions and the DWP relating to the end of the contracting out window (31/03/2016) are undertaken within an appropriate timescale	Leading to... SY Pension will have to guarantee minimum pension levels, and essentially have to underwrite the risk of miscalculation or lack of / poor information;		Details from central Government are still emerging; Current lack of resources within SY Pensions makes this a challenging area to comply with; Approval received to outsource arrangements to I.T.M. Ltd;	2				Review of work undertaken by I.T.M. Ltd to ensure members benefits are correct	Pensions Manager		30/06/2016	

SOUTH YORKSHIRE PENSIONS AUTHORITY
LOCAL PENSION BOARD EXPENDITURE TO Q/E 31/06/16

Agenda Item 7

	ORIGINAL OUTTURN	ACTUAL OUTTURN	2016-17 VARIANCE	Note
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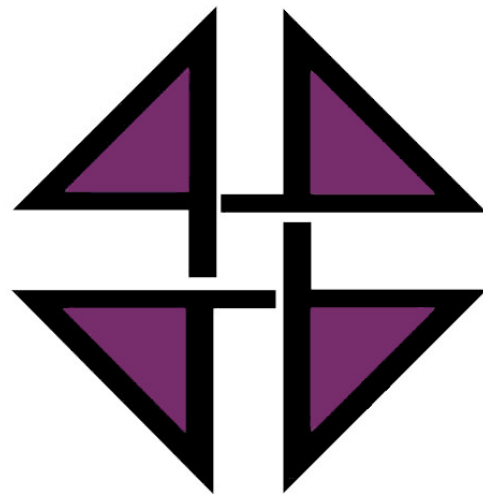
LOCAL PENSION BOARD

Travel, Accommodation and Subsistence	3,500	382	3,118	1
Training	8,000	300	7,700	1
Professional Advice	3,500	-	3,500	1
	15,000	682	14,318	

1. Expenditure has been minimal against this budget as the Local Pension Board has only incurred travel expense claims, subsistence and training expenses at the end of Qtr1

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**South Yorkshire Pensions Authority and the
South Yorkshire Passenger Transport Fund**



SOUTH YORKSHIRE
LOCAL PENSION BOARD

ANNUAL REPORT 2015/16

Foreword

Welcome to the first annual report of the South Yorkshire Joint Local Pension Board (LPB).

The Board seeks to assist the South Yorkshire Pensions Authority and the South Yorkshire Passenger Transport Fund to maintain effective and efficient administration and governance. Members of the scheme can now have direct influence on how the fund is managed. The LPB comprises both scheme members, retired and active, together with employer representatives. Employer representation is not restricted to the four large local Councils.

Although we have only been in existence for a short time we have made a positive start by seeking information from our scheme management and have offered advice as necessary. Members have sought to equip themselves by undertaking training, as set out elsewhere in this report, and have established a work programme that will enable us to meet our obligations to ensure that the two funds comply with the relevant codes of practice and current legislation.

On establishment our constitution was provided by the two pension authorities. Since then we have agreed changes with the authorities that remove unnecessary restrictions on the scope of the LPB's ability to question and offer advice on investments. This demonstrates that, whilst not having direct control over the two funds, the LPB intends to work with the Funds on the widest possible range of issues. We have experienced cooperation from the Officers and fund authorities and will offer challenge if we feel it necessary in the best interests of the scheme membership.

Your pension funds face times of change and challenge. In no small part this is due to the Governments decision that Local Government Pension Scheme (LGPS) funds should establish large investment vehicles-dubbed by the Chancellor as "British Wealth Funds" -and that these funds should, in addition to achieving further efficiencies, seek to invest in large scale infrastructure projects. Naturally this has caused concern amongst many, especially since South Yorkshire is already amongst the best performing and efficient funds in the LGPS. However, your LPB has been kept informed and has offered advice and will continue to do so. We are content that the authorities governing, and Officers running your funds, have made the most advantageous decisions in the circumstances. Please be assured that your LPB will continue to monitor and work with the administering authority to safeguard our funds.

I would like, on behalf of the Joint Local Pension Board, to thank the Officers of the South Yorkshire Pension Authority and the South Yorkshire Passenger Transport Fund, and the Chairs and Members of our two local pension funds for their help and cooperation in establishing our Board and for their continued commitment. We look forward to working together in the future.

Glyn Boyington, Chair



A handwritten signature in black ink, appearing to be 'Glyn Boyington', written in a cursive style.

Membership

Employee Representatives

Glyn Boyington - LGPS Member (Chairman)

Garry Warwick (GMB) - Trades Union

Kevin Morgan (UCATT) - Trades Union

Nicola Doolan (Unison) - Trades Union

Susan Ross - LGPS Member

Steve Carnell - SYPTPF Member

Employer Representatives

Jill Thompson (Action Housing) - Admitted Body (Vice-Chair)

Geoff Berrett (South Yorkshire Police) - 'Other Large Employer'

Melanie Priestley (St Mary's Academy Trust) – Academy

Councillor Tony Corden - Local Authority Member (Doncaster)

Councillor Ben Curran - Local Authority Member (Sheffield)

Vacancy – (South Yorkshire Passenger Transport Pension Fund)

Member Attendance

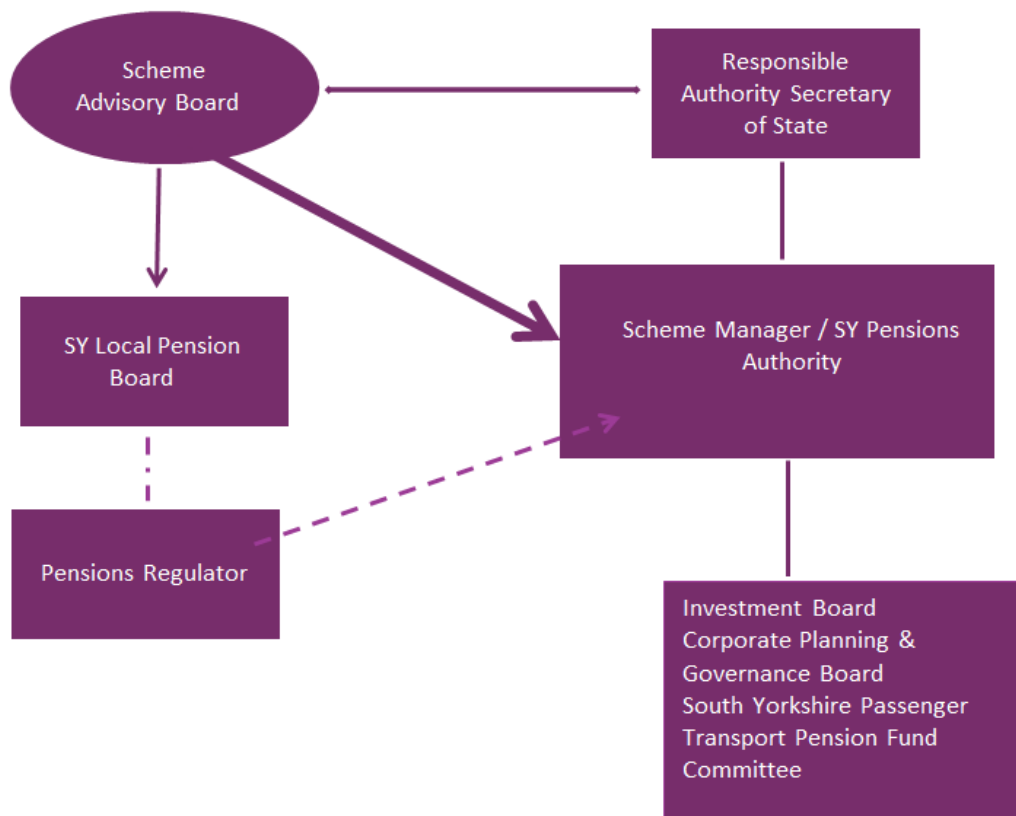
Attendance at the LPB meetings has been positive with members and employer representatives freely giving their time and commitment. Indeed 6 members have achieved 100% attendance over the year.

Role of the LPB

The role of the Local Pension Board as defined by Sections 5(1) and (2) of the Public Service Pensions Act 2013 is to:

- Secure the effective and efficient governance and administration of the LGPS for the South Yorkshire Pension Fund and South Yorkshire Passenger Transport Pension Fund;
- Provide the Scheme Manager with such information as it requires to ensure that any member of the Local Pension Board or person to be appointed to the Local Pension Board does not have a conflict of interest;
- Ensure the South Yorkshire Pension Fund and South Yorkshire Passenger Transport Pension Fund effectively complies with the Code of Practice on the Governance and Administration of Public Service Pensions Schemes issued by the Pensions Regulator and is effectively managed and administered in compliance with the Code.

Governance Structure



Work of the Board 2015/16

The Board held its inaugural meeting on the 23rd July 2015 and has met on a quarterly basis since that time.

In meeting its statutory requirements the Board has during the year:

- Developed and agreed in conjunction with the Pensions Authority, a model Constitution and Terms of Reference
- A Conflict of Interests Policy
- A Work Programme
- A Member Learning and Development Strategy
- A Budget to cover all associated costs of the Board.

In particular the Board requested and the Pensions Authority agreed to make amends to the model **Constitution** adopted which included increasing the frequency of meetings of the Board and removing text which was deemed excessive and it was felt prevented transparent discussion in the spirit of the legislation.

The Board agreed an initial **Work Programme** but acknowledged that this was a fluid document and one which would evolve as Members knowledge and understanding of their role evolved. Agreement has been reached so as to ensure specific issues set out in Government Guidance were cross referenced and gaps included in the Work Programme, for the avoidance of doubt. Members of the Board receive all **agenda papers** issued to Members of the Pensions Authority.

In considering all agenda papers presented to the Authority, the Board has in particular sought clarification on the following:

- **Annual Fund Member Survey** – Additionally Members of the Board were invited to the Annual Fund Member Event held at Doncaster Racecourse
- **2016 Actuarial Valuation** – The Board have been kept informed on progress in compiling relevant data in support of the valuation
- **Revised Risk Management Policy** – The Board in conjunction with the Authority is in full agreement that revisions were required to the Authority's approach to risk management in order to ensure a greater understanding of links between strategic and operational risks and to provide scope for greater challenge
- **Government Consultation on Revoking and Replacing the Management and Investment of Fund Regulations** – A number of sessions were held with the Authority to which Members of the Board were invited so as to make all parties aware of the work taking place in South Yorkshire to address the implications of the proposal
- **South Yorkshire Pensions Administration Strategy 2016/17** – The Board were briefed as to the approach the Authority has adopted particularly in relation to processing employer contributions

- **Investment Pooling Update** – The Board were party to discussions between Authority Members and officers on the negotiations taking place with prospective authorities on establishing joint pooling arrangements
- **External Audit Arrangements** – The Board, through the receipt of all Authority papers was kept fully briefed on the work of the Authority’s External Auditors KPMG and has been invited to assist in the process of appointing our new external auditors over the forthcoming year.

Training and Development

The Board has in place a Training and Development Strategy similar to that of the Authority and both bodies have acknowledged the requirement to undertake training and development in tandem for mutual benefit and to provide value for money in training delivery.

Since inception Board Members have received the following training/development support:

- Induction – Fund Director/Head of Pensions Administration;
- The Effective Audit Committee – Head of Audit, Barnsley MBC
- Treasury Management Training - Associate Director, Capita Asset Solutions
- The Pensions Regulator Information Pack
- The Pensions Regulator Public Service Toolkit
- The Pensions Regulator Pension Scams Action Pack
- Pension Fund Investment in Fossil Fuels – LAPFF

Future Plans

We aim to:

- Continue to work with the Officers and Members of the Authority and Transport Fund with a view to becoming more integrated into their decision making forums in order to be able to have influence on the outcome of events.
- Marketing the work of the LPB through articles within the news letters issued by the Pensions Authority and participation at the annual fund meetings
- Undertake training/workshop style events for members of the LPB as appropriate

SHEFFIELD CITY REGION COMBINED AUTHORITY and SOUTH YORKSHIRE
PENSIONS AUTHORITY

SOUTH YORKSHIRE JOINT LOCAL PENSION BOARD

20 July 2016

Report of the Fund Director

CIPFA LPB SURVEY

1) Purpose of the Report

To advise the Board of the results of a survey conducted by CIPFA regarding Local Pension Boards”

2) Recommendations

Members are recommended to:

Note the report

3) Background Information

3.1 CIPFA (Chartered Institute of Public Finance and Accountancy) conducted a survey of LGPS funds’ arrangements regarding Local Pension Boards. It was a relatively simple survey and received 59 responses. One submission was completed on behalf of this Board.

3.2 The survey results will be discussed by CIPFA at workshops attached to its annual conference this month.

3.3 The result summary is attached.

4) Implications and risks

4.1 **Financial**

There are no direct financial implications.

4.2 **Legal**

There are no direct legal implications.

4.3 **Diversity**

There are no diversity implications.

4.4 **Risk**

Failure not to match best practice might give rise to reputational and financial risk to the Authorities. There are no other specific risks associated with this report.

Officer Responsible: J N Hattersley
Post: Fund Director

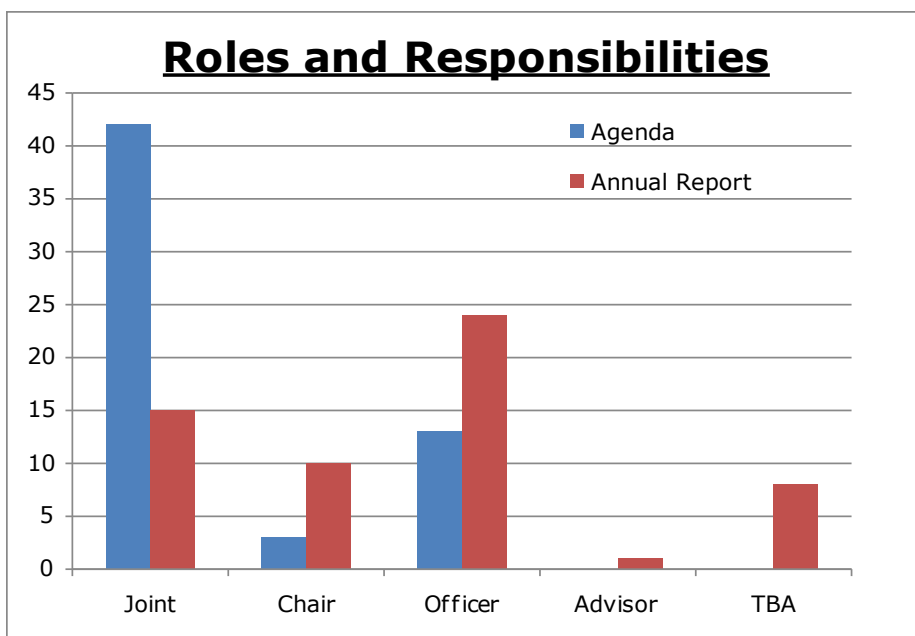
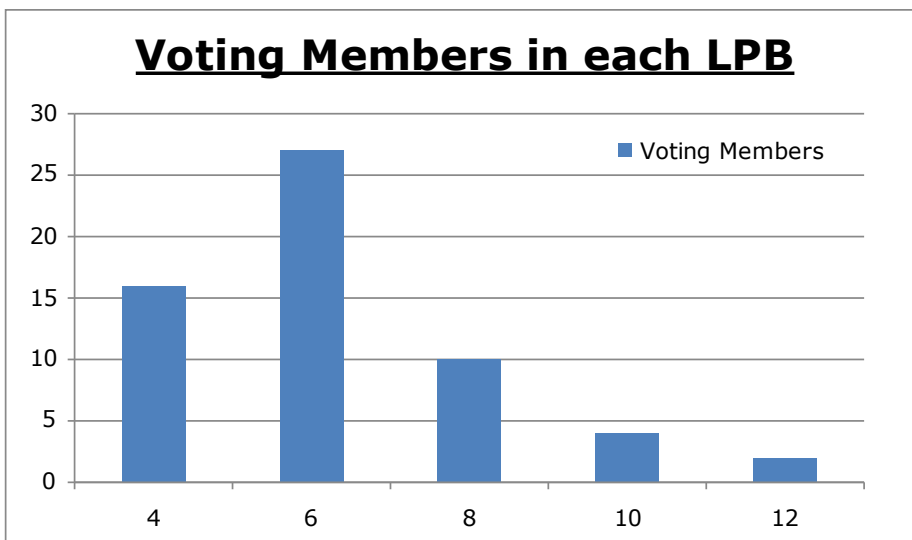
Background papers used in the preparation of this report are available for inspection at the offices of SYPA in Barnsley.

Summary Results from Local Pension Board Survey

Number of Responses	59
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Average number of Board Meetings were held in 15/16?	3.0
Average number of Board Meetings planned for 16/17?	3.4

	Yes	No	Partly
Does the Board have an Independent Chair?	23	36	
Are meetings of LPB open to the public?	36	7	14
Were any Board meetings in 15/16 not Quorate?	2	56	
Have any Board members resigned or left already?	22	37	
How many?	26		
Can Board Chair attend Committee/ Panel meetings as an observer?	57	1	
Do they?	47	11	
Can Committee/ Panel Chair attend LPB meetings as an observer?	55	3	
Do they?	17	41	



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