

Public Document Pack

Date: 08 March 2017

To: MEMBERS OF THE SOUTH YORKSHIRE JOINT
LOCAL PENSION BOARD



**SOUTH YORKSHIRE
LOCAL PENSION BOARD**

18 Regent Street
Barnsley
South Yorkshire
S70 2HG

www.southyorks.gov.uk

This matter is being dealt with by: Gill Richards

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Dear Member

SOUTH YORKSHIRE JOINT LOCAL PENSION BOARD
Thursday 16 March 2017

A meeting of the South Yorkshire Joint Local Pension Board will be held at 11.30 am (or at the later conclusion of the Pensions Authority meeting) on Thursday 16th March, 2017 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, , Nicola Doolan, Cllr Adam Hurst, Kevin Morgan, Susan Ross, Jill Thompson (Vice-Chair) and Garry Warwick.

Terms of Reference

1. Administration

- 1.1 Monitor and review the performance of Scheme administration including suggesting any changes to the Pensions Administration Strategy.
- 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

THURSDAY 16 MARCH 2017 AT 11.30 AM

AGENDA

| | Item | Page |
|----|--|---------------|
| 1 | Welcome and Apologies | |
| 2 | Declarations of Interest | |
| 3 | Minutes of the meeting held on 6 October 2016 | 1 - 6 |
| 4 | Work Programme | 7 - 8 |
| 5 | The Role of Internal Audit | Verbal Report |
| 6 | LGPS Pooling Update | 9 - 14 |
| 7 | The Pensions Regulator Self-Assessment Tool | 15 - 30 |
| 8 | Investment Strategy Statement | 31 - 50 |
| 9 | Funding Strategy Statement | Verbal Report |
| 10 | Annual Fund Meeting Survey | 51 - 68 |
| 11 | Feedback from CIPFA LPB Spring Seminar | Verbal Report |
| 12 | Communications between the SY Joint Local Pensions Board, Scheme Members and Employers | Verbal Report |
| 13 | LPB Budget | 69 - 70 |
| 14 | Meeting Cycle Report | 71 - 72 |

| | Item | Page |
|----|---------------------|-------------|
| 15 | LPB Training Events | 73 - 74 |
| 16 | Any Other Business | |

Agenda Item 3

SHEFFIELD CITY REGION COMBINED AUTHORITY/SOUTH YORKSHIRE PENSIONS AUTHORITY

JOINT LOCAL PENSION BOARD

6 OCTOBER 2016

PRESENT: G Boyington (Scheme Member) (Chair)

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

Officers: S Barrett (Interim Fund Director), G Chapman (Head of Pensions Administration SYPA), M McCarthy (Deputy Clerk), A Frosdick, G Richards (Democratic Services Officer) and A Hunt (Risk and Governance Manager)

Apologies for absence were received from Councillor B Curran, N Doolan-Hamer and F Foster

1 WELCOME AND APOLOGIES

The Chair welcomed members and Councillor Tony Corden, Doncaster MBC, to his first meeting of the Board.

Apologies were noted as above.

2 DECLARATIONS OF INTEREST

None.

3 MINUTES OF THE MEETING HELD ON 20 JULY 2016 AND MATTERS ARISING

With regard to the update on indemnity insurance, the Board were informed that A Frosdick had been delayed; if he did not make it to the meeting in time he would write to members setting out his view of counsel's opinion.

M McCarthy informed the Board that M Priestley, an academy representative, had resigned due to pressures of work.

An advertisement for a replacement had resulted in three or four expressions of interest; further information and an application form had then been sent out. Unfortunately no applications had been received by the deadline of 30 September.

The Chair commented that it appeared to be difficult to find employer representatives; if this was to be the case the Board may have to look at changes to the constitution.

With regard to an employer representative from the Passenger Transport Pension Fund, M McCarthy informed the Board that First were not engaging with Local Pension Boards on a national level. An independent member of BMBC Audit Committee had been identified as a possible candidate.

S Carnell commented that due to receiving agendas and papers for meetings of the Authority and Boards via email link, Local Pension Board members did not have access to private papers.

It was agreed that in future private papers would be provided by email where relevant to matters concerning the Board.

RESOLVED: That the minutes of the meeting of the Board held on 20 July 2016 were agreed as a correct record.

4 RISK MANAGEMENT UPDATE

A Hunt, Risk and Governance Manager, informed the Board that officers continued to work on developing the Risk Management Strategy, which included a foreword by the Chair, a policy statement, the roles and responsibilities of the Authority and its Boards and a risk recording mechanism.

Along with R Winter, Head of Internal Audit, a guidance and training session was being organised; it was hoped members of the Board would attend.

The Chair queried whether the Board would have sight of the documents before sign-off.

It was confirmed that the Strategy and associated documents, including the populated Risk Register would be presented to the January meeting.

M McCarthy confirmed that the Risk Register would be a standing item on Board agendas.

5 WORK PROGRAMME

The Board considered its Work Programme which was presented in a new format which had been cross-referenced with the Terms of Reference. It was noted that the document would evolve over time when, for example, the government issued a new consultation or the process to appoint an External Auditor commenced. The Work Programme would also inform the Board's Annual Report.

J Thompson informed the Board that at a recent meeting in London for LPB members it had been suggested that Boards should be monitoring 'complaints and compliments'.

G Chapman commented that currently complaints were reported on an annual basis; the Pensions Regulator's Code of Practice set out guidance for reporting complaints and this was currently being built into the system. Board members would be kept informed.

S Carnell remarked that there was no mention of the SY Passenger Transport Pension Fund (PTPF) on the Work Programme.

M McCarthy acknowledged this, but noted the need to avoid replicating reports which were available through other means.

G Boyington agreed, as the PTPF was a 'closed' fund the issues were different, and requested that officers alerted the Board to any pertinent issues.

M McCarthy informed the Board that the current Chair of the PTPF was a Barnsley MBC member, and suggested that he be invited to a future meeting of the Board.

G Berrett requested that the item entitled 'Pensions Administration Update' be renamed 'Pensions Administration Performance'; this was agreed.

The Board discussed item 5.1 in the Terms of Reference – 'Monitor the validity of any discretions made by the employers/Administering Authority' noting that it was unclear what discretions this referred to.

G Chapman replied that it probably referred to the discretion of the Authority to release benefits early, for example on compassionate grounds, but there were relatively few of such cases.

M McCarthy informed the Board that the Terms of Reference were created from a model issued by the Scheme Advisory Board and it was expected they would evolve as the Board evolved. This could be such an area where the Board decided the subject could be reported on an 'as and when' basis.

The Chair requested that officers checked if the subject was recommended to be covered in the Regulator's Guidance, and if not remove it from the Terms of Reference.

With regard to items the Board had requested be included on the Work Programme, M McCarthy informed the Board:

- Review The Pensions Regulator's Code of Practice – a link to this document had been emailed to the Board requesting areas of the Code they wished to review – no replies had been received.
- Breaches of the Law – there had been no breaches of the law to review; if a breach occurred, the Board would be informed.
- Employers' SLA – this had now been incorporated into the Pensions Administration Strategy which the Board had considered in March.

RESOLVED: That the Board noted the Work Programme.

6 ISSUES FOR CONSIDERATION AS A RESULT OF AUTHORITY MEETINGS

G Warwick commented that despite the large amount of work being done around creation of the investment pools, the consultations and guidance issued, the discussions around the future management and administration of funds, there had been no reference whatsoever to how Local Pension Boards would be linked to the pools or what their role would be.

The Trades Unions had also been pressing for an answer as to whether they would be represented on the pools; there was nothing in government guidance on the issue.

RESOLVED: M McCarthy to contact DCLG for their advice.

7 INVESTMENT POOLING UPDATE

S Barrett updated the Board with regard to latest position around investment pooling.

The Board were reminded that SYPA as one of the 12 partners of the Border to Coast pool, submitted detailed proposals to DCLG by the 15 July deadline.

Although formal approval had not yet been received from the government, officers and members were still working on the proposals in order to meet the 'live' date of 1 April 2018.

The work included the setting up of a company with a Board of Directors, a shareholder structure (12 shareholders, one representative from each authority) and a joint committee.

Set-up costs would be significant, and it was noted that SYPA would not make any significant savings in the immediate future due to being internally managed.

The Board expressed concerns around the employment of staff with no stake in the LGPS, control over investment decisions, the Secretary of State's powers of intervention and the role of Local Pension Boards in relation to investment pools.

It was also noted that investment staff would be relocated and would be BCPP employees, TUPE transferring from SYPA.

The confidential papers regarding pooling which had been submitted to the Pensions Authority earlier would be provided to Local Pension Board members.

8 LPB BUDGET MONITORING - EXPENDITURE Q1

A report was submitted which informed members of expenditure against the Board's budget.

It was noted that several Board members would be attending the Fundamentals training in the next three months.

Details were also provided of a CIPFA/Barnett Waddingham training and seminar programme. Board members were asked to contact G Richards if they wished to attend any of the events.

RESOLVED: That the Budget Monitoring report be noted.

9 INSURANCE INDEMNITY

With regard to indemnity insurance for Local Pension Board's, as discussed at the last meeting of the Board, A Frosdick confirmed that the Board was not classed as a local authority committee and therefore local authority insurers would not automatically provide indemnity cover for the Board.

However, the work of the Board was so far removed from anything that would require indemnity insurance, the Board need not be concerned, there was also no need for members to be concerned about their personal position.

10 WORK PROGRAMMES

The Work Programmes of the Authority and its Boards were presented to give the Board information and awareness of future issues.

RESOLVED: That the report be noted.

11 SYPF ANNUAL FUND MEETING

A report was submitted to advise members of the 2016 Annual Fund Meeting.

Members were informed the Annual Fund Meeting would be held at the Holiday Inn, Dodworth, Barnsley on Thursday 20 October at 5.30pm; transport for Fund members would be provided to and from the meeting.

The Chair hoped that as many Board members as possible would attend, commenting that it was an excellent opportunity to get a feel for what pensioners (who made up the vast majority of attendees) were thinking.

RESOLVED: That the report be noted.

12 REVIEW OF ANNUAL REPORT

A report was considered which gave the Board the opportunity to comment on South Yorkshire Pension Fund's Annual Report.

Members were informed that in future they would be provided with the draft report to allow more opportunities for comment.

RESOLVED: That the report be noted.

13 LPB TERMS OF REFERENCE

The Board considered a report which informed them of the need for a change to the Terms of Reference following the introduction of the Pensions Administration Strategy on 1 April 2016.

Members were recommended to agree to change ToR 16.1.1 from:

“Monitor and review the performance of the Scheme administration including suggesting any changes to Service Level Agreements”.

To:

“Monitor and review the performance of the Scheme administration including suggesting any changes to the Pensions Administration Strategy”.

RESOLVED: To agree to the changes to the Terms of Reference as detailed above.

14 ANY OTHER BUSINESS

With regard to confidential papers, S Ross commented she would prefer to not be emailed a copy and enquired if there was a portal available where the papers could be viewed.

G Chapman confirmed this was possible; G Richards would contact Pensions IT to arrange.

With regard to members' attendance at Authority meetings it was noted that the Chair had so far allowed Board members to stay in meetings during the 'private' session. It was thought there would be very few occasions where they would be asked to leave.

The Chair thanked everyone for attending the meeting.

CHAIR

Agenda Item 4

South Yorkshire Joint Local Pension Board Work Programme

| Terms of Reference Area | Jan | March | July | Oct | Author |
|---|-----|-------|------|-----|---------|
| <u>Board Arrangements</u> | | | | | |
| Board Work Programme | x | x | x | x | GR |
| Cycle of Board Meetings | | x | | | GR |
| Board's Annual Report | | | x | | MM/GR |
| LPB Budget Monitoring | x | x | x | x | BC |
| Minutes of Previous Meeting/Matters Arising | x | x | x | x | GR |
| Annual Review of Constitution & ToR | | | x | | MM/GR |
| Learning & Development | x | x | | | MM/GR |
| <u>Administration</u> | | | | | |
| Employers Performance | | | x | | GC |
| Pensions Administration Performance | x | | x | | GC |
| Review of Administration Strategy | | | | | GC |
| Investment Update | x | x | x | x | Various |
| Authority and Board Work Programmes | | | | x | FB |
| SYP Annual Fund Meeting | | | | x | GC |
| SYP Annual Fund Meeting Survey | x | | | | GC |
| Employers Forum Survey | | | x | | GC |
| Review of Annual Report | | | | x | GR |
| Treasury Management | x | | | | TBC |
| Budget Monitoring | | | x | | TBC |
| Complaints and Compliments | | | | x | |
| <u>Occasional Reports</u> | | | | | |
| TPR Self-Assessment Toolkit | | x | | | |
| Communication with Scheme members and employers | | x | | | |
| Investment Strategy | | x | | | SB |
| Internal Dispute Resolution Procedure | | | x | | |
| Breaches of the Law – Control Measures | | | x | | |
| <u>Auditors</u> | | | | | |
| Internal Audit Update (incl. recommendations) | | x | | | RW |
| Internal Audit Annual Report | | | x | | RW |
| External Audit Annual Governance Report | | | x | | LW |
| External Audit Annual Audit Letter | x | | | | LW |
| <u>Risk Management</u> | | | | | |

| | | | | | |
|--|---|---|---|---|----|
| Annual Review of Risk Management | | | x | | AH |
| Risk Register | x | | x | x | AH |
| Communications | | | | | |
| Information of the SYPA Website | x | | x | | GR |
| Information provided on retirement, leaving etc. | | | | | GR |
| Annual Fund meeting survey | | x | | | GC |

Appointment of External Auditor will be added when appropriate.
Topical issues & requests from LPB members will be added where necessary.

15 February 2017 From Tyne & Wear LPB

Dear Local Pension Board Chair,

I am writing to you in my capacity as the Chair of the Tyne and Wear Local Pension Board.

At our quarterly meeting on 21 December 2016, we learned that the Pensions Committee representatives of the funds comprising the Borders to Coast pool (The pool) have resolved not to allow any representation at pool level for scheme members. At our previous Board meeting, we unanimously advised the Tyne and Wear Pensions Committee that whilst we were happy that employer interests are adequately represented at pool level by elected members, there needs to be a person to represent the interests of scheme members at pool level.

We were not advising the Tyne and Wear Pensions Committee to give an employee representative any voting rights. We consider that it is a matter of good governance that a scheme member point of view is present and available at all pool meetings attended by Pensions Committee members. This view is shared by the Tyne and Wear Pensions Committee.

As a Board, we feel strongly that the absence of a voice representing scheme member interests at pool level is an omission that we are not willing to merely accept.

My purpose in writing to you is to establish:

1. Whether your views as a Board were sought on whether there should be scheme member representation at pool level?
2. Whether you provided your pension scheme with any views on scheme member representation at pool level and if so, what were those views?
3. Do you agree that the absence of a scheme member voice at pool level represents an unsatisfactory omission and that you would like to see scheme member representation at pool level written in to the pool constitution?

If you share the Tyne and Wear Board's concerns, there may be merit in taking this issue up with your own Pensions Committee. If several Pension Boards within the pool raise this issue as a concern, hopefully, we can secure an improved governance structure at pool level to everyone's benefit.

I am grateful for the time you spend on this correspondence. More generally, I hope we will be able to establish lines of communication among the Boards within our pool, which will help us all to discharge our statutory duties more effectively.

Yours sincerely

Mike Harding
On behalf of Nicholas Wirz
Chair – Tyne and Wear Pension Fund Local Pension Board
Town Hall, Grange Road, Jarrow, Tyne and Wear NE32 3LE

18th February 2017 from Surrey LPB

Dear Mike

This is not a topic we have reviewed so far, but I have put it on the agenda for our next meeting in March.

Thanks for drawing this to our attention.

Best regards,
Nick

Cllr Nick Harrison
Surrey County Council, Nork & Tattenhams Division
Chairman, Surrey Local Pensions Board

19th February 2017 from Lincolnshire LPB

Dear Mike,

The Lincolnshire Pension Board has received regular presentations on progress including governance arrangements on the Border to Coast Pensions Partnership (BCPP). To-date, no member of the Board has made a specific request for member representation on the BCPP. The local branch of Unison has however raised the issue with both the Chair of the Pensions Committee and myself. We believe that scheme members are best represented on the Lincolnshire Pension Fund Pensions Committee and Pensions Board. It is the Pensions Committee that will determine the investment strategy and asset allocation. The BCPP will effectively be an investment company in another guise and subject to scrutiny and challenge by the Pensions Committee and the Pensions Board. Personally, I see no point in having a person to represent the interests of scheme members on the BCPP with no voting rights.

I will however include your letter on the Agenda for the Pension Board meeting in March.

Kind regards,
Roger Buttery,
Independent Chair of the Lincolnshire Pension Board.

19th February 2017 from North Yorkshire LPB

Mike

Scheme member representation at Pool level has been a frequent subject for discussion at North Yorkshire Pension Board's meetings since before the July submission. Whilst we have not to date formally come to view, there are strongly held views that some way of enabling scheme member views to be fed into Pool governance should/must be agreed, and these views have been passed on at NY's Pension Fund Committee meetings.

Given your penultimate paragraph, I have shared your email with NY Pension Fund Committee Chair/Vice-Chair/Officers and NY Pension Board members. I've asked that the issue of scheme member representation at Pool level (on the basis of your email) be formally added to the agenda of the coming week's meeting of NY Pension Fund Committee. As the next scheduled meeting of NY Pension Board is not until the latter half of April, I've asked PB members to let me have their views - I've already received some responses which are strongly pro scheme representation. If necessary, I'll call a special meeting of the PB to discuss. On a personal note, I do have a wish to avoid tortuous discussions and procedures about how a scheme rep is identified/appointed....

I should add that the NY PB has been kept uptodate on developments regarding the path towards the BCPP Pool.

I agree that establishing lines of communication between PBs in the BCPP Pool would be good - and are essential.

David Portlock
Chair, North Yorkshire Pension Board

19th February from Warwickshire LPB

Dear Mike

This issue was raised and considered at the July 2016 meeting of the Warwickshire Board and the relevant minute of that meeting (which was accepted at the subsequent Board in January) reads as follows.

Pension scheme members will not be directly involved in the governance of the Pool. However, any member can approach the Local Pension Board or the Pension Fund Investment Sub-Committee and engage through that route. This is similar to the current practice.

Best wishes,

Keith

Keith Bray
Independent Chairman
Warwickshire Local Pension Board

From 21st February 2017 Cumbria LPB

All

Here in Cumbria there has been, as elsewhere, extensive engagement regarding the pooling arrangements, and last Thursday Cumbria County Council agreed unanimously to join the B2C pool.

As Chair of the Cumbria Pensions Board I have ensured that all members of the Pensions Board have been briefed on all aspects of the new arrangements.

With the allocations and investment strategy to be determined at individual pension committee level, the view from Cumbria is that at the pool level there is no need for the addition of another category of member. With the engagement of all stakeholders at the level where allocation decisions are made, and let's all remember that it is in the allocation of funding where performance is optimised, the addition of stakeholders at the pool level will add duplication but not value.

I have upmost confidence that the views of all elements of the Cumbria funds will be well represented by the one Cumbrian member of the pool.

Best wishes. Ian.

Cllr Ian Stewart

Chair Cumbria Local Government Pensions Board

Message to Tyne and Wear LPB sent 19th February 2017 From Glyn Boyington Chair South Yorkshire Joint LPB

Mike

Further to my telephone conversation with Nicholas Wirz on 16th February 2017

South Yorkshire Joint Local Pension Board (we are the Board for both South Yorkshire Pension Authority and the South Yorkshire Passenger Transport Fund) have been kept informed of developments in the pooling arrangements. We agreed with SY Pension Authority that Boarders to Coast presented the best option given the requirement for pooling and having been assured of a "like minded" attitude amongst the constituent funds to operational and governance matters.

We did raise the role of scheme members and the Local Pension Boards

within the pool and expressed a belief that there should be a mechanism for input into decisions whilst accepting that formal voting rights would not be appropriate. Similar points have been raised at Pension Authority meetings by both Councillors and non-voting trade union representatives. As a point of reassurance Officers have pointed out that decisions on investment asset allocation remain with individual Funds. Of course this does not address the practicality or desirability of greater scheme member involvement

On 16th February an extra meeting of the Authority was held with the intention of approving governance arrangements for the Pool. After a presentation and during a debate the issue of Scheme Member representation was raised by an Authority Member. I was permitted to give a view and all Councillor Members of the Authority that were present, along with a Trade Union representative, spoke. The Authority declined not ratify the governance arrangements without some reassurance on, as they put it, "Trade Union" involvement. The Chair was instructed to contact the Chairs of the other Funds to seek their support, at least in principle, for some form of scheme member involvement.

The Authority will again meet on 16th March as part of its regular cycle when the decision will be revisited.

Our LPB meets following the Pension Authority and we will therefore be in a position to further consider the inclusion of Scheme Member views at pool level

The meeting of 16th February being a public meeting may be viewed as a web cast at <http://southyorks.public-i.tv/core/portal/home>

Glyn Boyington
Chair
South Yorkshire Joint Local Pension Board

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Public service pension schemes

Self-assessment tool

Introduction

This self-assessment tool is for those involved in running public service pension schemes, including scheme managers and pension boards. It sets out key processes, tools and actions we expect to see in a well-run scheme, and will help you identify issues and actions to take to improve governance and administration in your scheme. This tool is not designed to assess compliance with the law, and does not replace a comprehensive review of your scheme against the relevant legislation and TPR's code of practice (the code), which we expect all schemes to undertake.

There are three parts to this tool: 'Governing your scheme' (page 3), 'Managing risks and resolving issues' (page 8) and 'Administration' (page 11), each of which contains a few questions. For each question, select the most appropriate answer and consider the associated Red/Amber/Green risk rating (see key on page 3) and the guidance and links provided. This tool is for your use only and TPR cannot see the answers provided. You should answer as honestly as possible, to provide you with the most accurate assessment of your scheme.

We recommend you create a plan to set out the actions you are planning to take to address any risks identified in your results, or actions you will take to help you achieve best practice. You should review progress against this plan regularly.

Further information

Statistics refer to findings from TPR's 2015 survey into the governance and administration of public service schemes¹.

If you would like to feedback on this tool, please contact us at PSPSR@tpr.gov.uk.

¹ www.tpr.gov.uk/ps-research

Red/Amber/Green rating

- R** A **Red** rating indicates a potential gap in processes, tools or actions which could pose a high risk to your ability to meet legal requirements. These areas should be considered as a priority.
- A** An **Amber** rating indicates a potential gap in processes, tools or actions which could pose a risk to your ability to meet legal requirements or more generally achieve the standards we set out in our code.
- G** A **Green** rating indicates where processes, tools or actions are in line with what we would expect to see in a well-run scheme.

Governing your scheme

| Have you clearly defined and recorded the roles and responsibilities of the pension board? | |
|--|---|
| Yes | <p>G</p> <p>You should keep roles and responsibilities under review, in particular considering any changes to scheme regulations or working arrangements (eg where certain functions are delegated by the scheme manager). Roles and responsibilities should be made clear during the board member appointment process, so they are clear about what is expected of them and what the role entails. You should also ensure these are communicated and understood by relevant parties such as the administrator, members or in the case of local government pension schemes, the pension committee, eg by publishing them alongside other pension board information.</p> |
| No/In progress/ Don't know | <p>A</p> <p>A number of different people are involved in governing and administering public service schemes and it's important that they clearly understand their respective responsibilities. Roles and responsibilities can vary between pension boards, depending on each scheme's regulations and working arrangements agreed with the scheme manager (eg delegated functions). It's important that you identify and document them for your board. You should involve the relevant people in defining these roles and responsibilities, in particular the scheme manager and, in the case of local government schemes, the pension committee.</p> |
| Have you published information about the pension board and kept it up to date? | |
| Yes – we publish information to legal requirements | <p>G</p> <p>Our code² sets out examples of information beyond the legal requirements we might expect to see published in a well-run scheme, such as the board's terms of reference. Publishing additional information provides greater transparency to members and other parties about the management of the scheme.</p> <p>You should monitor all published data on an ongoing basis to ensure it remains accurate and complete. You should also ensure that any information published is suitably accessible – it should be available to all scheme members and all staff who are eligible to be automatically enrolled into the scheme without them needing to ask for it. Further guidance about publishing scheme information is on our website³.</p> |

² www.tpr.gov.uk/code14

³ www.tpr.gov.uk/PS-publishing

Have you published information about the pension board and kept it up to date? continued...

| | |
|---|---|
| <p>Yes – we publish information to legal requirements and provide additional information about the pension board and board business</p> | <p>G</p> <p>Our code⁴ sets out examples of additional information you may wish to consider publishing if you don't already do so. You should monitor all published data to ensure it remains accurate and complete.</p> <p>You should also ensure that the information is suitably accessible – it should be available to all scheme members and all staff who are eligible to be automatically enrolled into the scheme without them needing to ask for it. Further information about publishing scheme information is on our website⁵.</p> |
| <p>No</p> | <p>R</p> <p>By law, the scheme manager must publish certain information about the pension board and keep this up to date. You should ensure this information is published without delay and monitored to ensure it remains accurate and complete.</p> |
| <p>In progress/ Don't know</p> | <p>A</p> <p>Further information about publishing scheme information is on our website⁶. Our code⁷ also sets out additional information we might expect to see published in a well-run scheme, such as the board's terms of reference.</p> |

⁴ www.tpr.gov.uk/code14

⁵ www.tpr.gov.uk/PS-publishing

⁶ www.tpr.gov.uk/PS-publishing

⁷ www.tpr.gov.uk/code14

| Do you have policies and arrangements in place to help pension board members acquire and retain the requisite knowledge and understanding? | |
|---|--|
| Yes | <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="background-color: #006400; color: white; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">G</div> <div> <p>Clearly defined policies and arrangements can help board members meet their legal obligations around knowledge and understanding. Four in five public service schemes have put such arrangements in place. You should keep your processes under regular review to ensure they remain effective and fit for purpose.</p> </div> </div> |
| No | <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="background-color: #c00000; color: white; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">R</div> <div> <p>Board members must have the required knowledge and understanding so they can perform their role properly. Four in five public service schemes have put in place policies and arrangements for acquiring and retaining knowledge and understanding – this key process helps board members meet their legal obligations. Further practical guidance on knowledge and understanding is available in our code⁸.</p> </div> </div> |
| In development /Don't know | <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="background-color: #ffa500; color: white; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">A</div> <div> <p>Board members must have the required knowledge and understanding so they can perform their role properly. The training needed to acquire the degree of knowledge and understanding required may vary according to each member's role and expertise. As such, training needs may be personal to the individual and you should consider the use of individual training needs analysis. You can use our tool 'Assessing your Learning Needs'⁹ to get you started. Further information can also be found in our code¹⁰ and our quick guide to personal development¹¹.</p> </div> </div> |
| Do you use the following for your pension board? | |
| Individual training needs analysis | |
| Yes | <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="background-color: #006400; color: white; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">G</div> <div> <p>Using individual training needs analysis can help board members identify specific individual training needs. Training is an important part of the pension board members' role and they should invest sufficient time in their learning and development alongside their other responsibilities and duties. Board members should keep their skills, knowledge and competencies under regular review to identify gaps and weaknesses for further training.</p> </div> </div> |
| No/ Don't know | <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="background-color: #ffa500; color: white; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">A</div> <div> <p>Board members must have the required knowledge and understanding so they can perform their role properly. The training needed to acquire the degree of knowledge and understanding required may vary according to each member's role and expertise. As such, training needs may be personal to the individual and you should consider the use of individual training needs analysis. You can use our tool 'Assessing your Learning Needs'⁹ to get you started. Further information can also be found in our code¹⁰ and our quick guide to personal development¹¹.</p> </div> </div> |

⁸ www.tpr.gov.uk/code14

⁹ www.tpr.gov.uk/ps-assess

¹⁰ www.tpr.gov.uk/code14

¹¹ www.tpr.gov.uk/ps-develop

| Do you use the following for your pension board continued... | |
|--|--|
| Training plans | |
| Yes | <p>G</p> <p>Board members should regularly review their skills, knowledge and competencies to identify gaps and weaknesses, and should invest sufficient time in their learning and development. Many schemes use pension board training plans to help board members acquire and retain knowledge and understanding. If you don't already do so, you may wish to consider the use of individual training plans as the training needed may vary according to each member's role and expertise. Further information can be found in our code¹² and our quick guide to personal development¹³.</p> |
| No/ Don't know | <p>A</p> <p>Board members must have the required knowledge and understanding so they can perform their role properly. They should regularly review their skills, knowledge and competencies to identify gaps and weaknesses, and should invest sufficient time in their learning and development. You should consider the use of a pension board training plan or individual training plans. Many schemes use pension board training plans. Individual training plans enable an even more bespoke approach, which reflects the different training needs of each member. Further information can be found in our code¹⁴ and our quick guide to personal development¹⁵.</p> |
| Training log | |
| Yes | <p>G</p> <p>Many schemes use training logs to help board members track their learning. They help you demonstrate steps you have taken to comply with legal requirements. You should regularly review the training log to ensure that risks associated with knowledge gaps are being mitigated. Board members should keep their skills, knowledge and competencies under regular review to identify gaps and weaknesses for further training.</p> |
| No/ Don't know | <p>A</p> <p>Board members must have the required knowledge and understanding so they can perform their role properly. You should keep appropriate records of the learning activities of the pension board. This will help demonstrate steps you have taken to comply with legal requirements and how they have mitigated risks associated with knowledge gaps. Further information can be found in our code¹⁶.</p> |

¹² www.tpr.gov.uk/code14

¹³ www.tpr.gov.uk/ps-develop

¹⁴ www.tpr.gov.uk/code14

¹⁵ www.tpr.gov.uk/ps-develop

¹⁶ www.tpr.gov.uk/code14

| Do you have a conflicts policy and procedure for pension board members? | | |
|---|----------|---|
| Yes | G | Nine in ten public service schemes have put conflicts policies and procedures in place for board members. These help identify, monitor and manage any interests that have the potential to become conflicts. You should review the policy and procedures regularly to ensure they remain fit for purpose. |
| No | R | Conflicts of interest in pension board members are prohibited. You should consider putting in place conflicts policies and procedures, which include identifying, monitoring and managing any interests that have the potential to become conflicts. |
| In development /Don't know | A | Nine in ten public service schemes have put such processes in place. Further information is in our code ¹⁷ . |
| Do you have a register of interests (or equivalent)? | | |
| Yes | G | A register is a simple and effective way of recording and monitoring interests. Conflicts should be included as an opening agenda item at pension board meetings and you should capture decisions about how to manage potential conflicts. The register of interests should be circulated to the pension board for ongoing review and published, for example on a scheme's website. |
| No | R | Conflicts of interest in pension board members are prohibited. The scheme manager must be satisfied that a pension board member doesn't have any conflicts of interest. A register is used by three quarters of public service schemes, and provides a simple and effective means of recording and monitoring interests that have the potential to become conflicts. Further information is in our code ¹⁸ . |
| In development /Don't know | A | |

¹⁷ www.tpr.gov.uk/code14

¹⁸ www.tpr.gov.uk/code14

Managing risks and resolving issues

Do you have procedures in place for assessing and managing risk?

| | | |
|----------------------------|----------|--|
| Yes | G | You should review your processes regularly to ensure they remain effective and fit for purpose. Seven in ten public service schemes aim to review the effectiveness of their risk management and internal controls systems at least annually. Our code ¹⁹ provides practical guidance on risk management to consider in your review. |
| No | R | The scheme manager must establish and operate internal controls: systems, arrangements and procedures that are put in place to ensure the scheme is run in accordance with legal requirements. Documented risk processes are a key internal control used by three quarters of public service schemes. Not having such processes in place may put you at significant risk of not identifying, mitigating or managing risks which could have a material impact on the scheme and members. You can find further information in our code ²⁰ . |
| In development /Don't know | A | |

Do you have a risk register?

| | | |
|----------------------------|----------|--|
| Yes | G | You should review risks regularly. Three in five public service schemes assess risks at least every quarter. The risk register, and any other internal controls you put in place, should be kept under review to ensure that they remain effective and fit for purpose. |
| No | R | Four in five public service schemes operate a risk register – this key tool helps schemes manage internal and external risks. A well-designed risk register helps you focus your resources on the risks which are the most likely to occur and have the greatest potential impact on scheme operations and members. You can get started with our example risk register ²¹ . |
| In development /Don't know | A | You should review risks regularly. Three in five public service schemes assess risks at least every quarter. Our code ²² provides further practical guidance on risk management. |

¹⁹ www.tpr.gov.uk/code14

²⁰ www.tpr.gov.uk/code14

²¹ www.tpr.gov.uk/ps-risk-register

²² www.tpr.gov.uk/code14

| Where you have outsourced services, do you ensure that providers demonstrate that they have internal controls in place? | |
|---|--|
| Yes | <p>G</p> <p>You should review the effectiveness of your internal controls regularly, including those of your outsourced service providers. You should ensure that you receive sufficient assurance from providers on the services they provide – it should be sufficiently detailed and comprehensive for you to properly assess the effectiveness of their internal controls. Our code²³ provides further guidance on internal controls.</p> |
| No | <p>R</p> <p>The scheme manager must establish and operate internal controls: systems, arrangements and procedures that are put in place to ensure the scheme is run in accordance with legal requirements. This applies equally where schemes outsource services. Nine in ten public service schemes ensure outsourced service providers demonstrate that they have adequate internal controls in place. You should ask providers to demonstrate this in tenders for delivering services, and incorporate these requirements in your contracts. Our code²⁴ provides further guidance on internal controls.</p> |
| In progress/ Don't know | <p>A</p> <p>The administration of the scheme is where a larger proportion of the scheme manager's duties are carried out – it is vital that you pay attention to the way your scheme is administered. You should ask the administrator to attend relevant meetings, as this will help you better understand the administration function and identify improvements. You should regularly monitor the performance of your administrator against documented targets and take steps to address areas of poor performance.</p> |
| We don't use outsourced services | N/A |
| Do you have a service level agreement, or equivalent, in place with your scheme administrators, whether in-house or outsourced? | |
| Yes | <p>G</p> <p>The administration of the scheme is where a larger proportion of the scheme manager's duties are carried out – it is vital that you pay attention to the way your scheme is administered. You should ask the administrator to attend relevant meetings, as this will help you better understand the administration function and identify improvements. You should regularly monitor the performance of your administrator against documented targets and take steps to address areas of poor performance.</p> |
| No/In development /Don't know | <p>A</p> <p>The administration of the scheme is where a larger proportion of the scheme manager's duties are carried out – it is vital that you pay attention to the way your scheme is administered. You need to be confident that your administrator is delivering its services and take steps to address poor performance.</p> <p>Seven in ten public service schemes report having a documented service level agreement in place with their scheme administrator – this enables them to measure the timeliness, quality and accuracy of administration. Our code²⁵ provides further guidance on internal controls.</p> |

²³ www.tpr.gov.uk/code14

²⁴ www.tpr.gov.uk/code14

²⁵ www.tpr.gov.uk/code14

| Are your internal dispute resolution arrangements clearly communicated to members and others? | |
|---|--|
| Yes | <p>G</p> <p>You should consider using a variety of ways to communicate your arrangements to members, for example in joining booklets, benefit letters or decision letters. Schemes should also make their arrangements accessible to potential applicants, for example by publishing them on a scheme website, as some public service schemes do. You should ensure that the effectiveness of the arrangements is assessed regularly. Further information on internal dispute resolution is available in our code²⁶.</p> |
| No/In progress/Don't know | <p>A</p> <p>Internal dispute resolution arrangements provide formal procedures for disputes to be investigated and decided upon quickly and effectively. They play a key role in the effective governance and administration of a scheme.</p> <p>You should confirm and communicate your arrangements to members, for example in the joining booklet. Some public service schemes provide this information in other written communications, for example in benefit or decision letters. Schemes should also make their arrangements accessible to potential applicants, for example by publishing them on a scheme website. Further information on internal dispute resolution is available in our code²⁷.</p> |
| Do you have procedures in place to identify, assess and report breaches of the law? | |
| Yes | <p>G</p> <p>You should review your procedures regularly so they remain effective and fit for purpose. Some pension boards have made breach monitoring a standing agenda item, where they review all breaches (whether significantly material or not) to track progress and ensure issues are addressed. If a breach does occur and you think it is of material significance to us, you should report it to us as soon as possible. Don't wait for the issue to be resolved. Our code²⁸ details information you should include in a report.</p> |
| No | <p>R</p> <p>Scheme managers, pension board members and certain other parties have a duty to report breaches of the law to us in certain circumstances. You should make sure you have effective procedures to identify, assess and report breaches. This is critical in order to reduce risk in your scheme and to help you meet your legal duty. Our code²⁹ provides practical guidance on what procedures should cover, how to assess if a breach should be reported to us and what to report.</p> |
| In development/Don't know | <p>A</p> |

²⁶ www.tpr.gov.uk/code14

²⁷ www.tpr.gov.uk/code14

²⁸ www.tpr.gov.uk/code14

²⁹ www.tpr.gov.uk/code14

Administration

Do you have a process in place to ensure that information is provided to TPR as required (eg through the scheme return)?

| | | |
|----------------------------|----------|--|
| Yes | G | You must provide us with certain information and keep this information up to date, and complete a scheme return when asked. To help you meet your legal obligations, you should provide us with a 'scheme contact' via our online portal, Exchange ³⁰ and make sure this information is kept up to date in light of role changes. Larger schemes may wish to provide several people with access to Exchange. |
| No | R | You must provide us with certain information and keep this information up to date, and complete a scheme return when asked. Scheme managers can be fined if they don't comply. To help you meet your legal duties, you should assign a person to act as a contact for TPR and provide us with the information required. In larger schemes, this may be assigned to several people. You should make sure this person (or people) has access to our online portal Exchange ³¹ . Further information is available on our website ³² . |
| In development /Don't know | A | |

Do you have processes in place to monitor scheme records for all membership types on an ongoing basis and ensure they are accurate and complete?

| | | |
|----------------------------|----------|---|
| Yes | G | Processes should cover all membership types and you should review these regularly to ensure they remain effective and fit for purpose. Guidance can be found in our code ³³ and on our website. |
| No | R | Scheme managers must ensure that certain data is complete and accurate. This applies equally in respect of active, deferred, pensioner members and beneficiaries. Failure to maintain complete and accurate records can affect your ability to carry out basic functions. |
| In development /Don't know | A | Four in five schemes have put in place record-keeping policies and procedures for all types of members and beneficiaries. You should establish or review your record-keeping processes immediately. Guidance can be found in our code ³⁴ and on our website. |

³⁰ www.tpr.gov.uk/exchange

³¹ www.tpr.gov.uk/exchange

³² www.tpr.gov.uk/ps-reporting

³³ www.tpr.gov.uk/code14

³⁴ www.tpr.gov.uk/code14

| Do you have controls in place to ensure that your employer(s) provide timely, accurate and complete data? | |
|---|---|
| Yes | G Receiving good data from your employer(s) is key to your ability to maintain accurate scheme records. Though nine in ten public service schemes require employers to provide timely, accurate and complete data, schemes have reported that a significant proportion of employers do not provide this as a matter of course. This can create significant record-keeping issues, even for single employer schemes. You should work with employers to ensure that scheme and employer processes are effective and fit for purpose. Our guide to issuing annual benefit statements ³⁵ highlights examples of best practice for communicating and working with employers. |
| No | R Scheme managers must keep records of specific member data. Most of this information will come from your employer(s) so you should ensure that employers have processes in place to provide you with the right data at the right time and in the right format. Poor data can create significant issues, even in single employer schemes. Some schemes provide specific training to employers on data requirements. Further information can be found in our code ³⁶ and our guide to issuing annual benefit statements ³⁷ . |
| In development /Don't know | A |
| When did you last carry out a data review exercise? | |
| Within the last year | G You should continue to carry out a data review at least annually. Data records should be additionally reviewed and cleansed when you change administrator or administration system/platform. Further information on record-keeping can be found in our code ³⁸ and on our website. |
| More than a year ago/Never | R A data review is a key action we would expect a well run scheme to undertake at least annually. A review enables you to identify gaps and data quality issues, and take action to resolve these. Nine in ten public service schemes plan to review their data at least once a year. The Record Keeping Regulations set out records scheme managers are required to keep and you should measure your data against these requirements. Your review should include an assessment of the accuracy and completeness of the member data held. Further information can be found in our code ³⁹ and on our website. |
| Don't know | A |

³⁵ www.tpr.gov.uk/ps-benefit

³⁶ www.tpr.gov.uk/code14

³⁷ www.tpr.gov.uk/ps-benefit

³⁸ www.tpr.gov.uk/code14

³⁹ www.tpr.gov.uk/code14

| Where you have identified poor quality or missing data, do you have an improvement plan to address issues? | |
|---|--|
| Yes | G Your plan should have specific data improvement measures that you can monitor and an end date within a reasonable timeframe when the scheme will have complete and accurate data. |
| No | R You should continually review your data and carry out a data review exercise at least once a year. You should then ensure the necessary steps are taken to resolve any issues identified. A data improvement plan is a key tool we expect schemes to use to address issues of poor quality or missing data. Your plan should have specific data improvement measures that you can monitor and an end date within a reasonable timeframe when the scheme will have complete and accurate data. |
| In development /Don't know | A |
| Not required | G You should continually review your data and carry out a data review exercise at least once a year. You should then ensure that the necessary steps are taken to resolve any issues identified. A data improvement plan is a key tool we expect schemes to use to address issues of poor quality or missing data where they arise. |
| Do you have processes in place for monitoring scheme contributions, resolving issues and assessing whether to report payment failures to TPR? | |
| Yes | G You should review your processes regularly to ensure they remain effective and fit for purpose. Guidance can be found in our code ⁴⁰ and our Managing contributions checklist ⁴¹ . |
| No | R The scheme manager of a public service scheme must establish and operate internal controls. This should include processes around payments of contributions. Four in five public service schemes have such processes in place. Schemes should monitor contributions on an ongoing basis and regularly check payments received against the payments which were due. Schemes should take steps to resolve payment failures. The scheme manager must report these where they believe they are likely to be of material significance to TPR. Further information is available in our code ⁴² . You can also use our Managing contributions checklist ⁴³ to evaluate how effectively your scheme manages contributions. |
| In development /Don't know | A |

⁴⁰ www.tpr.gov.uk/code14

⁴¹ www.tpr.gov.uk/ps-checklist

⁴² www.tpr.gov.uk/code14

⁴³ www.tpr.gov.uk/ps-checklist

Have you reviewed your processes for issuing annual benefit statements to ensure they are fit for purpose?

| | |
|----------------------------|--|
| Yes | <p>G You should proactively address issues that arose in the previous year and ensure remedial work is completed before the next cycle. You should also consider reporting on the lessons learnt, for example to the pension board, employers or members. Some best practice examples to consider for future reviews are included in our guide to issuing annual benefit statements⁴⁴.</p> |
| No/In progress/ Don't know | <p>A You should consider undertaking a lessons learned exercise once your statements are issued, including getting feedback from stakeholders involved. This is particularly important when you have implemented new requirements. Processes should be updated, and remedial work scheduled, in time for the next cycle. Some issues to consider in your review are included in our guide to issuing annual benefit statements⁴⁵.</p> <p>Where issues resulted in a failure to comply with legal duties (eg a failure to provide benefit statements) and you consider this is likely to be of material significance to us, you should submit a breach of law report.</p> |

Have you taken steps to ensure member communications are clear, accurate and easily accessible?

| | |
|----------------------------|--|
| Yes | <p>G You should regularly review your member communications to ensure members are able to engage with their pension savings. You can find out about members' information needs and their views on your communications in a number of ways – by speaking to employee representatives on the pension boards, listening in on calls to the administrator, undertaking member surveys or even organising focus groups.</p> |
| No/In progress/ Don't know | <p>A Good communications are key to ensure members are able to engage with their pension provision, and effectively plan for retirement. You should design and deliver communications that are clear and simple to understand, as well as being accurate and easily accessible. Avoid jargon where possible, explain technical terms clearly and make sure you're consistent in the language you use.</p> <p>There are a number of ways you can find out about members' information needs and their views on your communications – you should choose methods appropriate to the size of your scheme and available resources. Examples include speaking to employee representatives on the pension boards, listening in on calls to the administrator, undertaking member surveys or even organising focus groups.</p> |

⁴⁴ www.tpr.gov.uk/ps-benefit

⁴⁵ www.tpr.gov.uk/ps-benefit

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www.tpr.gov.uk

www.trusteetoolkit.com

Free online learning for trustees

www.pensionseducationportal.com

Free online learning for those running public service schemes

Self-assessment tool

Public service pension schemes

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SOUTH YORKSHIRE PENSIONS AUTHORITY

JOINT LOCAL PENSION BOARD

16 March 2017

Investment Strategy Statement (ISS)

1. Purpose of the report

Attached are the Investment Strategy Statements (ISS) for the South Yorkshire Pension Fund and the South Yorkshire Passenger Transport Pension Fund. These are updated versions of the strategies previously outlined in a Statement of Investment Principles (SIP) which was subject to regular review. Pooling of investments has given rise to new regulations which require an ISS.

The ISS will be submitted to the Investment Board for approval on 9 March 2017; the ISS for the Passenger Transport Pension Fund will be submitted to Passenger Transport Fund Committee at its meeting on 27 March 2017.

2. Background information

2.1 Administering authorities are required to publish new Investment Strategy Statements by 1 April 2017 in accordance with the provisions of regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. This is a development on the past practice of producing a Statement of Investment Principles (SIP), last done in September 2016, pending the Actuarial Valuation and the receipt of the new regulatory requirements.

2.2 Statutory background

Regulation 7(1) requires an administering authority to formulate an ISS which must be in accordance with guidance issued by the Secretary of State and must include:-

- a) A requirement to invest money in a wide variety of investments;
- b) The authority's assessment of the suitability of particular investments and types of investments;
- c) The authority's approach to risk, including the ways in which risks are to be measured and managed;
- d) The authority's approach to pooling investments, including the use of collective investment vehicles and shared services;
- e) The authority's policy on how social, environmental or corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments; and
- f) The authority's policy on the exercise of rights (including voting rights) attaching to investments.

The Investment Strategy Statement must also set out the maximum percentage of the total value of all investments of fund money that it will invest in particular investments or classes of investment.

The statement must be published by 1 April 2017 and then kept under review and revised from time to time and at least every three years.

2.3 Directions by the Secretary of State

Regulation 8 enables the Secretary of State to issue a Direction if he is satisfied that an administering authority is failing to act in accordance with the regulations. Where there is evidence to suggest that an authority is acting unreasonably, the Secretary of State can consider intervention, but only where this is justified and where the relevant parties have been consulted. This would include full consultation with the relevant authority, to ensure that the proposed power is used appropriately, proportionately and only where justified by the evidence.

The Secretary of State's power of intervention does not interfere with the duty of elected members under general public law principles to make investment decisions in the best long-term interest of scheme beneficiaries and taxpayers.

The power of Direction can be used in all or any of the following ways:-

- a) To require an administering authority to make changes to its investment strategy in a given timescale;
- b) To require an administering authority to invest assets as specified in the Direction;
- c) To transfer the investment functions of an administering authority to the Secretary of State or a person nominated by the Secretary of State; and
- d) To require an administering authority to comply with any instructions from either the Secretary of State or the appointed person in circumstances when the investment function has been transferred.

Before issuing any Direction, the Secretary of State must consult the administering authority concerned and before reaching a decision, must have regard to all relevant evidence including relevant reports from the actuary, from the scheme advisory board or from the local pension board and any representations made in response to the consultation with the relevant administering authority. The Secretary of State also has the power to commission any other evidence or additional information that is considered necessary.

3. Investment Strategy Statement (ISS).

The proposed ISS is attached. It references the Authority's compliance with both the 'Myners' corporate governance principles and the Financial Reporting Council's (FRC's) UK Stewardship Code. The latter is reported elsewhere on this agenda. The 'Myners' principles have been reported previously and will be amended to reflect the Authority's response to adopting the Stewardship Code elsewhere on this agenda.

- 3.1 An administering authority also has a duty to prepare, maintain and review a separate Funding Strategy Statement (FSS) under the Local Government Pension Scheme Regulations 2013. The ISS should be read in conjunction with the FSS which will be reported to the Authority on 16 March 2017 as part of the report on the triennial Actuarial Valuation.
- 3.2 The ISS has been subject to consultation with the Fund's actuary, an external investment consultant, the Fund's three independent external advisors and the Chairman of the Local Pension Board.

SOUTH YORKSHIRE PENSIONS AUTHORITY

SOUTH YORKSHIRE PENSION FUND

INVESTMENT STRATEGY STATEMENT (ISS)

March 2017

1. Introduction

- 1.1 The Local Government Pension Scheme (LGPS) is established and governed by statute and its purpose is to provide death and retirement benefits for all eligible employees. It is a nationwide contributory, defined benefit occupational pension scheme administered at a local level by a number of administering authorities. The South Yorkshire Pension Fund ("the Fund), which is administered by the South Yorkshire Pensions Authority (the Administering Authority), is required to maintain an Investment Strategy Statement (ISS) in accordance with Regulation 7 of the Local Government Pension Fund (Management and Investment of Funds) Regulations 2016.
- 1.2 The ISS is a living document and will be an important governance tool for the Fund as well as providing transparency in relation to how Fund investments are managed. The Regulations establish the range of matters that the Authority must consider when carrying out its responsibilities. In addition, the Authority is required to manage the Fund in the best financial interests of its members and beneficiaries at all times.
- 1.3 In preparing this statement officers have taken advice from an investment management consultant, the Fund's actuary and from our three retained independent advisors. The Statement will be reviewed annually and without delay after any significant change in investment policy. Consultation will also take place with the Local Pension Board. The Fund is also required to maintain a Funding Strategy Statement (FSS) which will be revised following the triennial valuation and be reported to the Authority on 16 March 2017. The ISS should be read in conjunction with that.
- 1.4 The Fund has statements of compliance with the Myners Principles and the Stewardship Code. The latter references a suite of policies addressing responsible investment and stewardship.

2. Investment strategy and the process for ensuring suitability of investments

- 2.1 The main investment objective of the Fund is to ensure that over the long term it will have sufficient assets to meet all of its pension liabilities as they fall due. This objective is more fully explained in the Authority's Funding Strategy Statement [FSS] derived from the triennial actuarial valuations of the Fund. The crux of the FSS is the need to achieve a future funding level of 100% or better whilst maintaining employer contribution rates to be kept as low and reasonably stable and affordable as possible. Accordingly, the Authority manages the Fund from a long term viewpoint and endeavours to maximise its returns but, at the same time, operates within a closely controlled range of acceptable risks.

2.2 The Authority has formed a Board to manage the Fund's investments on its behalf and has granted it all the powers it needs to do so: it has also delegated its day to day management responsibilities to its senior officer, the Clerk, who in turn delegates her duties and responsibilities to colleagues. The Scheme of Delegation to Officers is formally approved by the Authority. The Board comprises seven councillors drawn from the Authority and selected in accordance with the Authority's Constitution and meets not less than four times per year. The Authority also liaises with the Local Pension Board which includes representatives of employers and stakeholders (including the trades unions).

2.3 The Authority's Board is responsible for setting the strategic asset allocation of the Fund but the ultimate responsibility for investment strategy rests with the Authority. As well as obtaining advice from Authority officers it has also appointed independent investment advisors to advise it on investment matters and an actuary for the production of actuarial valuations and for advice on liability issues. For other work it appoints consultants when required. The Authority is authorised and regulated by the Financial Conduct Authority.

2.4 Investment Beliefs.

The Fund has a set of Investment Beliefs that will be used as a framework when making decisions and agreeing investment strategy:

- Clear goals are crucial to success; it is important that each part of our strategy has a clear role in achieving our goals.
- The Fund's liabilities must influence asset allocation, and it is asset allocation that has the greatest impact on overall risk and return.
- A long term approach to investing is appropriate; moreover a long term time horizon is an advantage.
- Managing risk is a multi-dimensional and complex task.
 - Risks must be understood and prioritised
 - Risk must be taken in the pursuit of return, but no more risk than is deemed necessary will be taken
 - Diversification is key principle in managing risk.
- Costs matter but net of fees returns are the priority and internal management of traditional asset classes is an efficient way of achieving this.
- External managers can add value, assuming that due consideration is given to philosophy and approach in order that confidence is gained in relation to meeting the agreed objectives.
- It takes its stewardship responsibilities seriously and believes that good environmental, social and governance (ESG) practices lead to well-managed, sustainable companies.
- In making decisions on investment matters, no one voice should dominate and diversity of opinion is important.

- 2.5 In order to ensure as far as possible that the investment strategy is appropriate for the Fund's liabilities the Authority has created its own bespoke or customised benchmark. This benchmark acts as a framework and is adopted only after analysing the Fund's liability structure in detail. It is reviewed at least every three years and always after the statutory actuarial valuation. Changing circumstances can often, but not always, warrant a formal review and one is conducted whenever necessary.
- 2.6 The investment strategy is developed by reference initially to the valuation of liabilities measured on a risk free basis but then adjusted to make allowance for the Authority's appetite for risk. The investment strategy is determined based on the expected return on asset classes (for equities, bonds, property etc.) within the appetite for risk as measured by the dispersion (likely range) of these returns. The Authority is satisfied that the investment strategy has a sufficient probability of meeting its return targets over the long-term and it is expected that the Fund's long term investment returns will be at least in line with these assumptions and those published in the FSS.
- 2.7 The Regulations define the types of investments the Fund can hold and places limits on the proportion of the Fund that can be invested in them. Although the Authority has adopted the maximum headroom limits on partnerships, unit trusts, unquoted companies, collective investment vehicles and similar entities permitted under the Regulations it does not necessarily utilise the full allocation. The Authority participates in stock lending to the limit permitted and the programme is managed by the custodian bank in accordance with best market practice. The Fund's securities are held by the custodian bank or its agents or directly by the Authority.
- 2.8 In line with the regulations, the authority's investment strategy does not permit more than 5% of the total value of all investments of fund money to be invested in entities which are connected with that authority within the meaning of section 212 of the Local Government and Public Involvement in Health Act 2007.
- 2.9 The asset allocation was previously reviewed and approved in September 2016. An investment strategy review has now been conducted by an external consultant and reviewed by officers and advisers. This has resulted in proposed changes below at Table 1. below. There will be a need to move to new positions over the medium term.
- 2.10 The asset allocation review (2017) considered the key risks that the Fund is exposed to. It was felt that a change in overall strategy was not required. However some refinements were recommended; some that looked to take into account the Fund's long term investor status (e.g. an increase in illiquid assets) and some that looked to build the level of inflation protection (e.g. the construction of a real assets portfolio). The intention was to evolve the portfolio to be more resilient in stressed scenarios. It is important to note that there is a long term implementation plan in terms of moving to the revised strategy; in addition to taking account of any practical considerations related to asset pooling. The Investment Board is clear that new investments will not be made at any price.
- 2.11 As at the 31 March 2016 (to be consistent with the actuarial valuation date), the expected return from the Fund's strategy at Table 1. below has a total (best estimate) expected return of around 5.3% p.a. (or CPI plus 3.1% p.a.). This uses a 10 year return projection, whereas the numbers quoted in the FSS (CPI plus 3.4%) use a 20 year projection. Both returns compare favourably to the prudent return assumed by the Fund actuary which sits at CPI plus 2%. The expected volatility of return is 17.0% p.a. for the current allocation, reducing slightly to 16.5% for the proposed allocation strategy.

Table 1: Benchmark asset allocation: All figures quoted as % of Fund market value.

| | | Current Allocation % | | Proposed Allocation % | Tolerance % |
|--------------------------------|-----------|-----------------------------|-------|------------------------------|--------------------|
| Bonds | | 23.00 | | 23.00 | |
| UK Index Linked | | 12.00 | | 12.00 | +/- 3.00 |
| UK Buy and Maintain | | 5.00 | | 5.00 | +/- 2.00 |
| Emerging Market ¹ | | 3.00 | } | 6.00 | } +/- 5.00 |
| High Return ¹ | | 3.00 | } | | |
| Floating Rate ¹ | | – | } | | |
| Quoted Equities | | 60.00 | | 50 | |
| UK | | 20.00 | | 15.00 | +/- 5.00 |
| Overseas ² | | 40.00 | | 35.00 | +/- 5.00 |
| | N America | | 11.50 | 11.50 | +/- 5.00 |
| | Europe | | 9.50 | 9.50 | +/- 5.00 |
| | Japan | | 3.75 | 3.75 | +/- 5.00 |
| | Pacific | | 8.50 | 8.50 | +/- 5.00 |
| | Em Mkts | | 6.75 | 6.75 | +/- 5.00 |
| | | | 40.00 | 35.00 | |
| Illiquid Premium | | | | | |
| Private Equity | | 3.50 | | 7.00 | +/- 5.00 |
| Private Debt | | 2.00 | | 3.50 | +/- 5.00 |
| Real Assets³ | | – | | 5.00 | +/- 5.00 |
| Property | | 10.00 | | 10.00 | +/- 3.00 |
| Cash | | 1.50 | | 1.50 | +/- 8.50 |
| | | 100.00 | | 100.00 | |

Table notes:

1. No change in allocation but proposed evolution of approach towards 'floating rate' bonds. (From fixed rate bonds).
2. Proposed allocation of overseas equities subject to review with external Advisers.
3. Transition from equities to illiquid / real assets will be managed over a medium timescale.

Table 2: For each asset class the Fund has set a benchmark against which performance will be measured.

| Asset Class | Benchmark |
|---------------------|--|
| BONDS | |
| UK Index-Linked | FTA ILG over 15 yr Index |
| UK Buy and Maintain | iBoxx Sterling Non-Gilt Index |
| Emerging Market | Composite of 1/3 JPM Euro EMBI Global Diversified Index- hedged GBP 2/3 JPM EMBI Global Diversified Index –hedged GBP |
| High Return | iBoxx Sterling Non-Gilt Index |
| | |
| QUOTED EQUITIES | |
| UK Equities | 75% FTSE 100 Index 25% FTSE 250 Index |
| Overseas equities | |
| North America | S&P 500 Index |
| Europe | FTSE Developed Europe ex-UK Index |
| Japan | FTSE Japan |
| Pacific-ex-Japan | FTSE All World Pacific ex-Japan Index |
| Emerging Markets | Composite 23.75% FTSE Emerging Asia 43.75% FTSE Emerging Latin America 32.50% FTSE Emerging EMEA |
| ALTERNATIVES | |
| Private Equity | UK CPI +3% |
| Illiquid Premium | UK CPI +3% |
| Property | IPD Balanced Monthly & Quarterly Index |
| Cash | LIBID 7 Day rate |

2.12 In order to measure the performance of each asset class against its benchmark index (Table 2) and monitor the investment objective, the Authority requires detailed performance measurement figures. These are provided by Portfolio Evaluation and are presented to the Investment Board on a quarterly basis.

3 Risk measurement and management

3.1 The Fund's main long-term risk is that assets do not match liabilities, and that funding objectives are not achieved. There are many different types of risk involved in capital stewardship and the Authority notes that without taking "risks" it will be difficult for the Fund to achieve the performance it needs if it is to meet its objectives. The Authority recognises

that risk is inherent in any investment or operational activity and seeks to control risk rather than try to eliminate it. The approach aims to mitigate risk without compromising returns. In order to generate the required investment returns necessary to match the growth in liabilities this implies that the Fund will continue to take an active risk relative to its liability profile.

The key risks inherent in the Pension Fund, and how these risks are mitigated, are below:

| Risk | Description | Mitigants |
|---------------------------------------|---|--|
| Counter Party | Counterparty risk in every transaction in which the Authority takes part. | Use reputable service providers who operate effective controls. Independent investment advisors appointed to assist in the scrutiny of the internal investment management activity. |
| Funding strategy risk | There is a risk that the value of Fund assets will not match the increase in its liabilities which could result in a deteriorating financial position. | The effect can be reduced by diversifying the Fund's portfolios across a broad spectrum of assets and markets, taking into account these differences and the correlations between them and by granting the Fund's managers sufficient freedom to meet their targets but setting range constraints. |
| Performance | The Fund's investment managers fail to deliver returns in line with the underlying asset classes. | Analysis of market performance and investment managers' performance relative to their index benchmark on a quarterly basis. Internal and external manager performance is also reviewed regularly with support from external advisers. |
| Demographic | Demographic factors including the uncertainty around longevity/mortality projections (e.g. longer life expectancies) can also contribute to funding risk. | Demographic assumptions are conservative, regularly monitored, and reviewed on a triennial basis. |
| Liquidity | Liquidity or market risk associated with the volatility of prices in certain assets and under certain market conditions. | Part of the Fund is held in securities that can be realised quickly in normal market conditions. Management of Authority cash flows to ensure future payments can be met. |
| Inflation & Interest rates | Different classes of asset have different risk and return characteristics and sensitivities to changes in financial factors, in particular to inflation and interest rates. | It is important that the Fund's strategy takes into account these differences and the correlation between them. The Fund regularly monitors its exposure to interest rates. |
| Foreign exchange | Investing overseas exposes the Fund to fluctuations in exchange rates. | The Fund's customised benchmark regulates such exposure: part of that approach involves the Authority passively hedging its overseas property portfolio's currency risk. |
| ESG | ESG risks have the ability to impact a company's profitability and the Fund's investment performance. | The Fund has a suite of RI policies, acts as a responsible share owner and factors ESG into investment decision making. These are also referenced elsewhere in the report. |

| Risk | Description | Mitigants |
|-------------------|---|--|
| Employers | The financial capacity and willingness of sponsoring employers to support the Fund. | This is regularly reviewed by the Authority. |
| Governance | The risk of poor governance and the potential issue of Committee member turnover. | Ensure that Members are well informed by officers and independent advisers. A Member training programme is in operation. The Local Pension Board and external and internal audit also support the scrutiny and governance process. |
| | | |

4. Approach to asset pooling

- 4.1 In order to satisfy the requirements of the “Local Government Pension Scheme: Investment Reform and Guidance” issued by the Department for Communities and Local Government (“DCLG”) in November 2015 the Pension Fund has elected to become a shareholder in Border to Coast Pensions Partnership (BCPP) Limited. BCPP Limited will be an FCA-regulated Operator and Alternative Investment Fund Manager (“AIFM”).
- 4.2 South Yorkshire Pensions Authority elected to join the Border to Coast Pension Partnership Pool (BCPP) on behalf of the South Yorkshire Pension Fund and South Yorkshire Passenger Transport Pension Fund.

BCPP is a partnership of the following 12 administering authorities and thirteen funds (allowing for the South Yorkshire Passenger Transport Pension Fund):

Bedfordshire Pension Fund, Cumbria Pension Fund, Durham Pension Fund, East Riding Pension Fund, Lincolnshire Pension Fund, North Yorkshire Pension Fund, Northumberland Pension Fund, South Yorkshire Pension Fund (including South Yorkshire Passenger Transport Pension Fund), Surrey Pension Fund, Teesside Pension Fund, Tyne and Wear Pension Fund, Warwickshire Pension Fund.

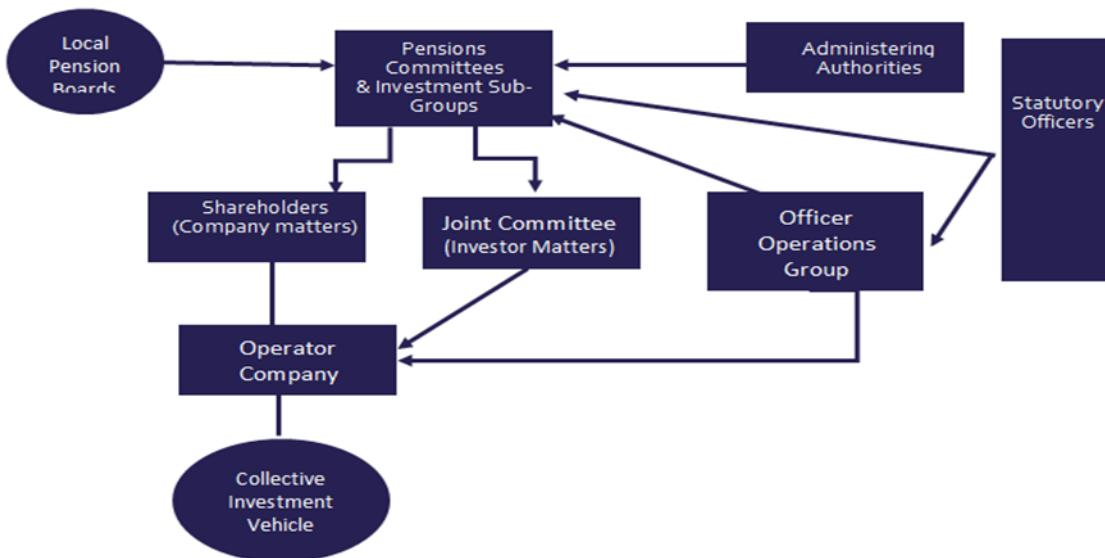
On 15th July 2016 the partner Funds submitted their proposal to Government and have received written confirmation from the Minister to confirm that the proposal meets the criteria laid down in the guidance issued in November 2015.

- 4.3 The core beliefs of the Border to Coast Pension Partnership (BCPP) are as follows:
- a) One Partner Fund, one vote for all participating funds from time to time regardless of Fund size.
 - b) Asset allocation strategy remains a decision for each Partner Fund. This is necessary to enable Partner Funds to demonstrate that they are exercising their democratic and fiduciary duty. For practical reasons, the Parties will work together to establish a single Responsible Investor /ESG policy and a policy for the exercise of rights attaching to investments, based on best practice, with the intention that it will be adopted by each Partner Fund. The adoption of such a policy will be a matter for individual determination by each Partner Fund.
 - c) The BCPP Pool’s role is to independently and professionally deliver Partner Funds asset allocation choices. It will make decisions relating to and monitor the investment managers (including employees of the BCPP Pool) who manage the administering authorities’ “fund money” with the aim of maximising the long-term net of fees investment returns attributable to each of the Parties. All Partner Funds accept that if savings are to be achieved, changes will be required through the rationalisation and

standardisation of processes. There will be clear segregation between duties undertaken by the Parties and duties undertaken by the BCPP Pool, including during the period after the BCPP Pool has been established but assets have not yet been transferred when staff secondment arrangements will be entered into for certain employees of the BCPP Pool. This will ensure both that the fiduciary duty and democratic responsibility of the Partner Funds can be maintained, whilst achieving the cost benefits and expanded professionalisation of the investment functions through scale.

- d) The BCPP Pool should have a strong corporate governance philosophy, focused on the delivery of long term value through active corporate engagement, the rationale being that this aligns directly with ensuring the Partner Funds exercise their fiduciary duty in the best interests of their members and employers.
- e) The Parties acknowledge that there may be occasions where the BCPP Pool is unable to implement all asset allocation strategy decisions made because it would not be cost effective to do so, but the Parties and the BCPP Pool will work together to avoid this situation.

The proposed governance structure of BCPP is as follows:



The Fund will hold BCPP to account through the following mechanisms:

- A representative on the Shareholder Board, with equal voting rights, who will provide oversight and control of the corporate operations of BCPP Limited.
- A representative on the Joint Committee who will monitor and oversee the investment operations of BCPP Limited.
- Officer support to the above representatives from the Officer Operations Group and the Statutory Officer Group.

The Pension Fund will retain the decision making powers regarding asset allocation and will delegate the investment management function to BCPP Limited.

It is anticipated that a significant proportion of the Fund's investments will be made through BCPP Limited. Where it is not practical or cost effective for assets to be transferred into the pool they will continue to be managed at the Fund level. This is expected to predominantly include unquoted investments such as limited partnerships. Whilst these assets are unlikely to be transferred it is expected that once these investments mature the proceeds will be reinvested into BCPP. At the current time it is estimated that approximately 75% of the Fund's assets will be invested in BCPP subject to it having suitable management arrangements in place.

The Fund will perform an annual review of assets that are determined to be held outside to ensure that it continues to demonstrate value for money. Following this review it will submit a report on the progress of asset transfers to the Scheme Advisory Board, in line with the guidance.

5. Social, environmental and corporate governance policy

- 5.1 The Authority is fully committed to responsible investment and good stewardship of its investments. It acts at all times in the best long-term interests of all its members and looks to protect and enhance the economic value of the companies in which it invests on their behalf. It believes that well governed companies produce sustainable and superior returns. Responsible investment is fundamental to the Authority as it is in accordance with trustee's fiduciary duty.
- 5.2 It takes its responsibilities as a long-term investor seriously integrating environmental, social and govern factors into the investment process. Environmental risks include climate change; the Authority believes that the associated risks and opportunities may have a material impact on the financial performance of the Fund and has therefore published a Climate Change policy statement which can be found on the Authority's website. The Authority will take non-financial considerations into account when making investments but only where it would not involve significant risk of financial detriment.
- 5.3 The Authority believes that the pursuit of standards of best practice aligns the interest of Fund members with those of fellow shareholders and with society as a whole and, therefore, will not actively invest in or disinvest from companies solely or largely for social or ethical or environmental reasons. The Authority recognises that it is unable to use its policies to pursue boycotts, divestment and sanctions against foreign nations and UK defence industries other than where formal legal sanctions, embargoes and restrictions have been put in place by the Government. The Authority has published a separate Responsible Investment policy statement available to view on its website.
- 5.4 The Authority invests in sustainable and impact funds which have positive social and environmental impacts. It does so only when returns are considered to be commercial and will not forego financial return in order to generate social impact.
- 5.5 The Authority recognises that it is not always possible for it to conduct constructive engagement alone: therefore, it will enter into collaboration with other like-minded investors when the occasion warrants doing so. It is an active member of the Local Authority Pension Fund Forum and will join other collaborative pressure or lobbying groups if it feels it is appropriate to do so. The Authority is a member of the IIGCC which is a forum for collaboration on climate change for European investors. The Authority believes that risks and opportunities associated with climate change may have a material impact on the financial performance of the Fund and, therefore, supports the Group's objective to catalyse greater investment in a low-carbon economy by bringing investors together to use their collective influence with companies, policymakers and investors.

5.6 Under Regulations issued in 2009 administering authorities of the LGPS are required to report their compliance against the Myners' Principles. The six Principles are intended to guide institutional investors on matters such as investment, scheme governance, disclosure and consultation. The Authority publishes a separate statement outlining its full compliance with the Principles, attached at appendix 1.

6. Policy of the exercise of rights (including voting rights) attaching to investments

6.1 The Authority regards its voting rights as an asset and uses them carefully. It exercises its votes on its UK, European and North American listed equity investments whenever possible. It has appointed a contractor to ensure that its votes are effectively executed. The Authority has published its own bespoke UK voting policy which is informed through the interpretation of best practice guidelines in consultation with the proxy advisor, and is reviewed annually. This can be viewed on the Authority's website. Voting decisions, nonetheless, are made on a case-by-case basis bearing in mind a company's circumstances. Voting decisions are published on the Fund's website quarterly. The Authority responds to company requests on voting rationale and will, where possible, engage with companies prior to votes being cast. Constructive shareholder engagement, with the aim of promoting and supporting good corporate governance principles and practice, will be pursued whenever it is deemed appropriate to do so. The Authority's Shareholder Engagement Statement sets out the broad approach to its responsibilities as a shareholder. These broad principles provide the framework within which the more detailed voting guidelines are administered.

March 2017

SHEFFIELD CITY REGION COMBINED AUTHORITY*

SOUTH YORKSHIRE PASSENGER TRANSPORT PENSION FUND

INVESTMENT STRATEGY STATEMENT (ISS)

March 2017

1. Introduction

- 1.1 The Local Government Pension Scheme (LGPS) is established and governed by statute and its purpose is to provide death and retirement benefits for all eligible employees. It is a nationwide contributory, defined benefit occupational pension scheme administered at a local level by a number of administering authorities. This Authority* became an administering authority of the LGPS following the publication of Statutory Instrument 2014 No 863 in 2014 and is required to maintain an Investment Strategy Statement (ISS) in accordance with Regulation 7 of the Local Government Pension Fund (Management and Investment of Funds) Regulations 2016.
- 1.2 The ISS is a living document and will be an important governance tool for the Fund as well as providing transparency in relation to how Fund investments are managed. The Regulations establish the range of matters that the Authority must consider when carrying out its responsibilities. In addition, the Authority is required to manage the Fund in the best financial interests of its members and beneficiaries at all times.
- 1.3 In preparing this statement officers have taken advice from an investment management consultant, the Fund's actuary and from our retained independent advisor. The Statement is reviewed annually and without delay after any significant change in investment policy. Consultation has also taken place with the Local Pension Board. The Fund is also required to maintain a Funding Strategy Statement (FSS) which will be revised following the triennial valuation effective from 1 April 2017. The FSS will be reported to the Committee separately and the ISS should be read in conjunction with that.
- 1.4 The Authority has established policies on corporate governance and voting matters and is fully compliant with the Myners Principles.

2. Investment strategy and the process for ensuring suitability of investments

- 2.1 The main investment objective of the Fund is to ensure that over the long term it will have sufficient assets to meet all of its pension liabilities as they fall due. This objective is more fully explained in the Authority's Funding Strategy Statement [FSS] derived from the triennial actuarial valuation of the Fund. The crux of the FSS is the need to achieve a future funding level of 100% or better whilst endeavouring to keep employer contribution rates as low and reasonably stable and affordable as possible. Accordingly, the Authority manages the Fund from a long term viewpoint and endeavours to maximise its returns but, at the same time, operates within a closely controlled range of acceptable risks.
- 2.2 The Authority has established a Committee to manage the Fund on its behalf and has granted it all the powers it needs to do so: The Committee is comprised of six councillors drawn from the Authority's Transport Committee and selected in accordance with the Authority's Constitution. It has delegated its day to day management responsibilities to its senior officer, the Clerk.
- 2.3 The Committee is responsible for setting the strategic asset allocation of the Fund and meets not less than four times per year. As well as obtaining advice from Authority officers and its external managers it has also appointed an independent investment advisor to

advise it on investment matters and an actuary for the production of actuarial valuations and for advice on liability issues. In addition, the Committee will seek specialist advice as and when it deems fit. However, at all times the ultimate responsibility for investment strategy rests with the Authority.

- 2.4 The Authority has established a Local Pension Board and has obtained approval from the Secretary of State to operate the Board in conjunction with South Yorkshire Pensions Authority.
- 2.5 In order to ensure as far as possible that the investment strategy is appropriate for the Fund's liabilities the Authority has created its own bespoke or customised benchmark. This benchmark acts as a framework and is adopted only after analysing the Fund's liability structure in detail. It is reviewed at least every three years and always after the statutory actuarial valuation. Changing circumstances can often, but not always, warrant a formal review and one is conducted whenever necessary.
- 2.6 The investment strategy is developed by reference initially to the valuation of liabilities measured on a risk free basis but then adjusted to make allowance for the Authority's appetite for risk. The investment strategy is determined based on the expected return on asset classes (for equities, bonds, property etc.) within the appetite for risk as measured by the dispersion (likely range) of these returns. The Authority is satisfied that the investment strategy has a sufficient probability of meeting its return targets over the long-term and it is expected that the Fund's long term investment returns will be at least in line with these assumptions and those published in the FSS.
- 2.7 The Regulations define the types of investments the Fund can hold and places limits on the proportion of the Fund that can be invested in them. Although the Authority has adopted the maximum headroom limits on partnerships, unit trusts, unquoted companies, collective investment vehicles and similar entities permitted under the Regulations it does not necessarily utilise the full allocation. The Fund's securities are held by the custodian bank or its agents or directly by the Authority.

The Fund's current customised benchmark is set out below in the table and includes the ranges within which the asset allocation may operate without reference to the Committee.

Table 1: All figures quoted as % of Fund market value.

| | Allocation % | Tolerance % | Range % |
|-----------------------------|------------------------|-----------------------|-------------------|
| Bonds | 65.00 | | |
| UK Index Linked | 45.5 | +5.00 | 40.5-50.5 |
| UK Corporate Bonds | 19.5 | +5.00 | 14.5-24.5 |
| High Yield Bonds | 0.0 | 0-10 | 0.0-10.0 |
| Quoted Equities | 35.00 | | |
| UK | 15.0 | +5.00 | 10.0-20.0 |
| Overseas | 20.0 | +5.00 | 15.0-25.0 |
| Property Unit Trusts | 0.0 | +5 | 0-5.0 0-5.0 |
| Cash | 0.0 | +5 | |
| | 100.00 | | |

The customised benchmark was determined following a full review in November 2014. It is subject to a phased recalibration driven by the liability implied position so class allocations will change over time. The table below illustrates the changes to March 2019:

The below numbers are expressed as % of 100% of market value

| | Sep 2016 | Mar 2017 | Sep 2017 | Mar 2018 | Sep 2018 | Mar 2019 |
|--------------------|----------|----------|----------|----------|----------|----------|
| UK Equities | 15 | 15 | 14 | 14 | 13 | 13 |
| Overseas Equities | 20 | 19 | 19 | 18 | 18 | 17 |
| UK Index-Linked | 45.5 | 46 | 47 | 47.5 | 48.5 | 49 |
| UK Corporate Bonds | 19.5 | 20 | 20 | 20.5 | 20.5 | 21 |
| Cash | 0.0 | 0 | 0 | 0 | 0 | 0 |

Table 2: For each asset class the Fund has set a benchmark against which performance will be measured.

| Asset Class | Benchmark |
|------------------------|--|
| BONDS | |
| UK Index-Linked | Composite of 35% ILG 2020 25% ILG 2027 21.5% ILG 2037 10.75% ILG 2047 7.75% ILG 2055 |
| Corporate Bonds | iBoxx Sterling Non-Gilt Index |
| QUOTED EQUITIES | |
| UK Equities | FTSE All Share Index |
| Overseas Equities | Composite of 30% MSCI North America 30% MSCI Europe- ex-UK 30% MSCI Pacific Index 10% MSCI Emerging Markets Index |

In addition to the above benchmark, the Authority has agreed to implement a de-risking mechanism designed to assist the Fund to gradually de-risk its investments as the liabilities of the Fund continue to mature. The Fund's approximate funding position is monitored against a projection of the expected funding level on a quarterly basis. The projection of funding level acts as a trigger for any de-risking and when a trigger is reached the benchmark will shift by a pre-determined amount. The manager will seek verification from the Fund's actuary if they believe a trigger has been reached before a de-risking switch is

implemented. There have been no triggers since the mechanism was put in place in October 2011.

2.8 In order to measure the performance of each asset class against its benchmark index and monitor the investment objective, the Authority requires detailed performance measurement figures. These are provided by Portfolio Evaluation and are presented to the Committee on a quarterly basis.

3. Risk measurement and management

3.1 The Fund's main long-term risk is that assets do not match liabilities and that funding objectives are not achieved. There are many different types of risk involved in capital stewardship and the Authority notes that without taking "risks" it will be difficult for the Fund to achieve the performance it needs if it is to meet its objectives. The Authority recognises that risk is inherent in any investment or operational activity and seeks to control risk rather than try to eliminate it. The approach aims to mitigate risk without compromising returns. In order to generate the required investment returns necessary to match the growth in liabilities this implies that the Fund will continue to take an active risk relative to its liability profile.

The key risks inherent in the Pension Fund, and how these risks are mitigated, are below:

| Risk | Description | Mitigants |
|------------------------------|---|--|
| Counter Party | Counterparty risk in every transaction in which the Authority takes part. | Use reputable service providers who operate effective controls. Independent investment advisors appointed to assist in the scrutiny of the internal investment management activity. |
| Funding strategy risk | There is a risk that the value of Fund assets will not match the increase in its liabilities which could result in a deteriorating financial position. | The effect can be reduced by diversifying the Fund's portfolios across a broad spectrum of assets and markets, taking into account these differences and the correlations between them and by granting the Fund's managers sufficient freedom to meet their targets but setting range constraints. |
| Performance | The Fund's investment managers fail to deliver returns in line with the underlying asset classes. | Analysis of market performance and investment managers' performance relative to their index benchmark on a quarterly basis. Internal and external manager performance is also reviewed regularly with support from external advisers. |
| Demographic | Demographic factors including the uncertainty around longevity/mortality projections (e.g. longer life expectancies) can also contribute to funding risk. | Demographic assumptions are conservative, regularly monitored, and reviewed on a triennial basis. |
| Liquidity | Liquidity or market risk associated with the volatility of prices in certain assets and under certain market conditions. | Part of the Fund is held in securities that can be realised quickly in normal market conditions. Management of Authority cash flows to ensure future payments can be met. |

| | | |
|---------------------------------------|---|--|
| Inflation & Interest rates | Different classes of asset have different risk and return characteristics and sensitivities to changes in financial factors, in particular to inflation and interest rates. | It is important that the Fund's strategy takes into account these differences and the correlation between them. The Fund regularly monitors its exposure to interest rates. |
| Foreign exchange | Investing overseas exposes the Fund to fluctuations in exchange rates. | The Fund's customised benchmark regulates such exposure: part of that approach involves the Authority passively hedging its overseas property portfolio's currency risk. |
| ESG | ESG risks have the ability to impact a company's profitability and the Fund's investment performance. | The Fund has a suite of RI policies, acts as a responsible share owner and factors ESG into investment decision making. These are also referenced elsewhere in the report. |
| Employers | The financial capacity and willingness of sponsoring employers to support the Fund. | This is regularly reviewed by the Authority. |
| Governance | The risk of poor governance and the potential issue of Committee member turnover. | Ensure that Members are well informed by officers and independent advisers. A Member training programme is in operation. The Local Pension Board and external and internal audit also support the scrutiny and governance process. |

4. Approach to asset pooling

4.1 In order to satisfy the requirements of the "Local Government Pension Scheme: Investment Reform and Guidance" issued by the Department for Communities and Local Government ("DCLG") in November 2015 the Pension Fund has elected to use a delegated arrangement with South Yorkshire Pensions Authority to invest within the Border to Coast Pensions Partnership (BCPP) Limited. (Rationale discussed and agreed at meeting of Committee on 13 February 2017). BCPP Limited will be an FCA-regulated Operator and Alternative Investment Fund Manager ("AIFM").

4.2 South Yorkshire Pensions Authority elected to join the Border to Coast Pension Partnership Pool (BCPP) on behalf of the South Yorkshire Pension Fund and South Yorkshire Passenger Transport Pension Fund.

BCPP is a partnership of the following 12 administering authorities and thirteen funds (allowing for the South Yorkshire Passenger Transport Pension Fund):

Bedfordshire Pension Fund, Cumbria Pension Fund, Durham Pension Fund, East Riding Pension Fund, Lincolnshire Pension Fund, North Yorkshire Pension Fund, Northumberland Pension Fund, South Yorkshire Pension Fund (including South Yorkshire Passenger Transport Pension Fund), Surrey Pension Fund, Teesside Pension Fund, Tyne and Wear Pension Fund, Warwickshire Pension Fund.

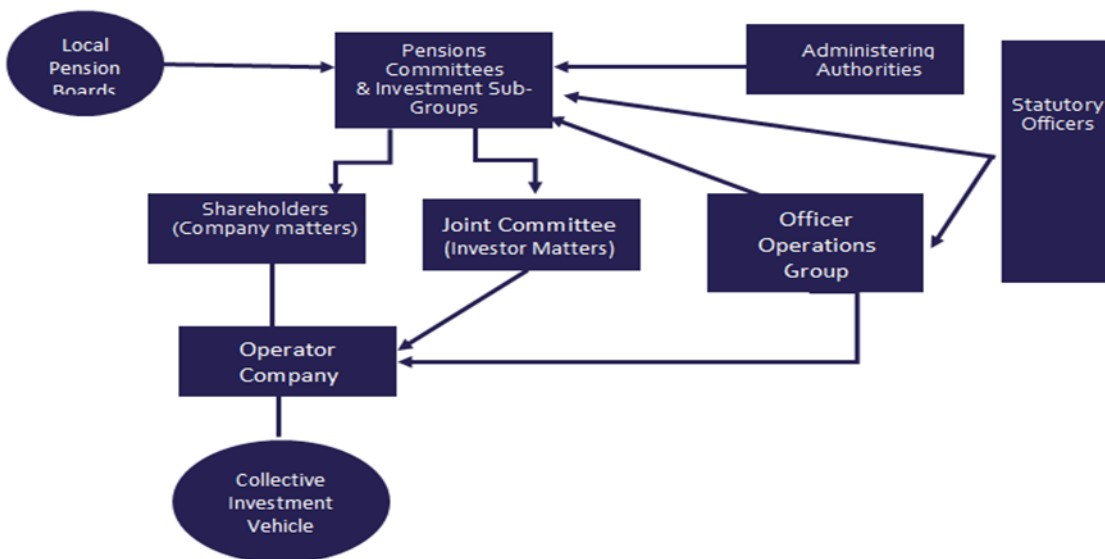
On 15th July 2016 the partner Funds submitted their proposal to Government and have received written confirmation from the Minister to confirm that the proposal meets the criteria laid down in the guidance issued in November 2015.

4.3 The core beliefs of the Border to Coast Pension Partnership (BCPP) are as follows:

- a) One Partner Fund, one vote for all participating funds from time to time regardless of Fund size.

- b) Asset allocation strategy remains a decision for each Partner Fund. This is necessary to enable Partner Funds to demonstrate that they are exercising their democratic and fiduciary duty. For practical reasons, the Parties will work together to establish a single Responsible Investor /ESG policy and a policy for the exercise of rights attaching to investments, based on best practice, with the intention that it will be adopted by each Partner Fund. The adoption of such a policy will be a matter for individual determination by each Partner Fund.
- c) The BCPP Pool's role is to independently and professionally deliver Partner Funds asset allocation choices. It will make decisions relating to and monitor the investment managers (including employees of the BCPP Pool) who manage the administering authorities' "fund money" with the aim of maximising the long-term net of fees investment returns attributable to each of the Parties. All Partner Funds accept that if savings are to be achieved, changes will be required through the rationalisation and standardisation of processes. There will be clear segregation between duties undertaken by the Parties and duties undertaken by the BCPP Pool, including during the period after the BCPP Pool has been established but assets have not yet been transferred when staff secondment arrangements will be entered into for certain employees of the BCPP Pool. This will ensure both that the fiduciary duty and democratic responsibility of the Partner Funds can be maintained, whilst achieving the cost benefits and expanded professionalisation of the investment functions through scale.
- d) The BCPP Pool should have a strong corporate governance philosophy, focused on the delivery of long term value through active corporate engagement, the rationale being that this aligns directly with ensuring the Partner Funds exercise their fiduciary duty in the best interests of their members and employers.
- e) The Parties acknowledge that there may be occasions where the BCPP Pool is unable to implement all asset allocation strategy decisions made because it would not be cost effective to do so, but the Parties and the BCPP Pool will work together to avoid this situation.

The proposed governance structure of BCPP is as follows:



The Fund will hold BCPP to account through the following mechanisms:

- A representative on the Shareholder Board, with equal voting rights, who will provide oversight and control of the corporate operations of BCPP Limited.
- A representative on the Joint Committee who will monitor and oversee the investment operations of BCPP Limited.
- Officer support to the above representatives from the Officer Operations Group and the Statutory Officer Group.

The Pension Fund will retain the decision making powers regarding asset allocation and will delegate the investment management function to BCPP Limited.

It is anticipated that a significant proportion of the Fund's investments will be made through BCPP Limited. Where it is not practical or cost effective for assets to be transferred into the pool they will continue to be managed at the Fund level. This is expected to predominantly include unquoted investments such as limited partnerships. Whilst these assets are unlikely to be transferred it is expected that once these investments mature the proceeds will be reinvested into BCPP. At the current time it is estimated that approximately 75% of the Fund's assets will be invested in BCPP subject to it having suitable management arrangements in place.

The Fund will perform an annual review of assets that are determined to be held outside to ensure that it continues to demonstrate value for money. Following this review it will submit a report on the progress of asset transfers to the Scheme Advisory Board, in line with the guidance.

5. Social, environmental and corporate governance policy

- 5.1 The Authority is fully committed to responsible investment and good stewardship of its investments. It acts at all times in the best long-term interests of all its members and looks to protect and enhance the economic value of the companies in which it invests on their behalf. It believes that well governed companies produce sustainable and superior returns. Responsible investment is fundamental to the Authority as it is in accordance with trustee's fiduciary duty.
- 5.2 It takes its responsibilities as a long-term investor seriously integrating environmental, social and governance factors into the investment process. Environmental risks include climate change; the Authority believes that the associated risks and opportunities may have a material impact on the financial performance of the Fund and has therefore published a Climate Change Policy Statement which can be found on the Authority's website. The Authority will take non-financial considerations into account when making investments but only where it would not involve significant risk of financial detriment.
- 5.3 The Authority believes that the pursuit of standards of best practice aligns the interest of Fund members with those of fellow shareholders and with society as a whole and, therefore, will not actively invest in or divest from companies solely or largely for social or ethical or environmental reasons. The Authority recognises that it is unable to use its policies to pursue boycotts, divestment and sanctions against foreign nations and UK defence industries other than where formal legal sanctions, embargoes and restrictions have been put in place by the Government. The Authority has published a separate Responsible Investment Policy Statement available to view on its website.
- 5.4 The Authority recognises that it is not always possible for it to conduct constructive engagement alone, therefore, it will enter into collaboration with other like-minded investors when the occasion warrants doing so. It is an active member of the Local Authority Pension Fund Forum and will join other collaborative pressure or lobbying groups if it feels it is appropriate to do so.

5.5 Under Regulations issued in 2009 administering authorities of the LGPS are required to report their compliance against the Myners' Principles. The six Principles are intended to guide institutional investors on matters such as investment, scheme governance, disclosure and consultation. The Authority publishes a separate statement outlining its full compliance with the Principles, attached at appendix 1.

6. Policy of the exercise of rights (including voting rights) attaching to investments

6.1 The Authority regards its voting rights as an asset and uses them carefully. It exercises its votes on its UK listed equity investments whenever possible. It has appointed a contractor to ensure that its votes are effectively executed. The Authority has published its own bespoke UK voting policy which is informed through the interpretation of best practice guidelines in consultation with the proxy advisor, and is reviewed annually. This can be viewed on the Authority's website. Voting decisions, nonetheless, are made on a case-by-case basis bearing in mind a company's circumstances. Voting decisions are published on the Fund's website quarterly. The Authority responds to company requests on voting rationale and will, where possible, engage with companies prior to votes being cast. Constructive shareholder engagement, with the aim of promoting and supporting good corporate governance principles and practice, will be pursued whenever it is deemed appropriate to do so. The Authority's Shareholder Engagement Statement sets out the broad approach to its responsibilities as a shareholder. These broad principles provide the framework within which the more detailed voting guidelines are administered.

*The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority was created by statute 1 April 2014. In August 2014 the Authority resolved to adopt "Sheffield City Region Combined Authority" as its shortened title.

March 2017

SOUTH YORKSHIRE JOINT LOCAL PENSION BOARD

16 March 2017

Consultation Programme – AFM Survey

1. Purpose of the Report

To inform Members of the results of the survey carried out amongst the scheme members with a view to testing customer satisfaction as a result of attending the Annual Fund Meeting.

2. Recommendations

Members are recommended to note the analysis attached at Appendix 1 with a view to commenting on any future service delivery changes they wish to see.

3. Information

- 3.1 As part of the Authority's Consultation Strategy we are committed to carrying out member satisfaction surveys after the attendance at the authority's Annual Fund Meeting.
- 3.2 The survey was designed to gauge perceptions of the service provided by SYPA in terms of venue, travel arrangements, directions, speakers, subjects and the helpfulness of staff.
- 3.3 All delegates at the AFM were issued with a survey. Delegates were invited to give feedback on any area of the meeting in order for SYPA to improve on future AFM's.
- 3.4 41 out of 62 delegates returned a completed survey.
- 3.5 The analysis of these replies were carried out by the Communications and Training Team who will take on board all comments when organising future AFM's.
- 3.6 The overall "score" for the various service elements was:-

| Service Element | Excellent | Good | Satisfactory | Poor |
|----------------------------|-----------|--------|--------------|-------|
| Start time | 43.91% | 41.46% | 14.63% | 0.00% |
| Venue | 48.78% | 46.34% | 4.88% | 0.00% |
| Travel arrangements | 48.00% | 32.00% | 20.00% | 0.00% |
| Directions | 50.00% | 31.25% | 12.50% | 6.25% |
| Helpfulness of SYPA staff | 65.85% | 26.83% | 4.88% | 2.44% |
| Navigation around venue | 43.90% | 46.34% | 7.32% | 2.44% |
| Hand-out/booklet | 19.51% | 70.73% | 9.76% | 0.00% |
| Speakers and Presentations | 43.90% | 43.09% | 11.38% | 1.63% |

Members had the opportunity to write in prior to the meeting with a question and everyone who completed the survey found this useful.

The format on the night changed slightly in that we had a Q & A session after each presentation rather than at the end of the meeting, 95.12% which represents 39 out of 41 members thought this was better with all 41 delegates agreeing there was enough time allocated for the questions.

The meeting was again available to view live, in addition to it being recorded and made available on YouTube. 37 members said they found the live streaming of the AFM a useful addition.

The meeting can be viewed at the following link
www.youtube.com/sypensions

From the members who had attended the AFM before 11 said it was better with 26 members saying it was about the same.

- 3.7 Appendix 1 gives the detailed analysis of the responses, and also provides individual comments received as feedback.

4. Future Performance Targets

- 4.1 Members will be aware that we publish and report on our casework performance standards. Therefore in every survey we issue, members are asked to give us a rating based on the overall satisfaction level of SYPA. The results are shown overleaf:

| Very Satisfied | Satisfied | Dissatisfied | Very Dissatisfied |
|-----------------------|------------------|---------------------|--------------------------|
| 78.05% | 21.95% | 0.0% | 0.0% |

These results will be added to the results of the same question asked in other surveys to form the basis of our overall performance.

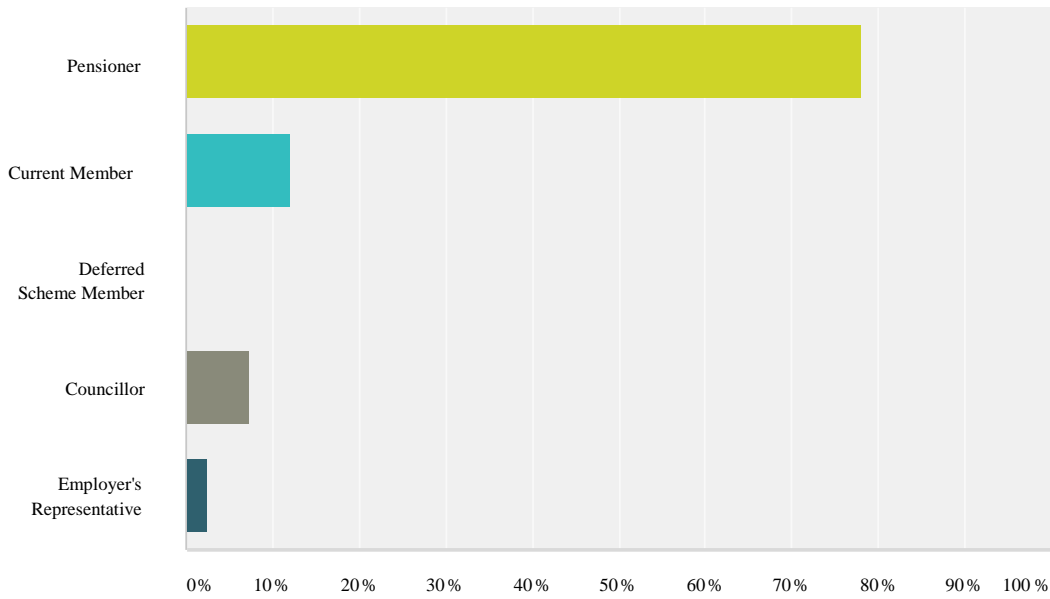
Joanne Webster
Communications Manager

Annual Fund Meeting Survey 2016

20th October 2016 – Holiday Inn Barnsley

Q1 Did you attend as a:

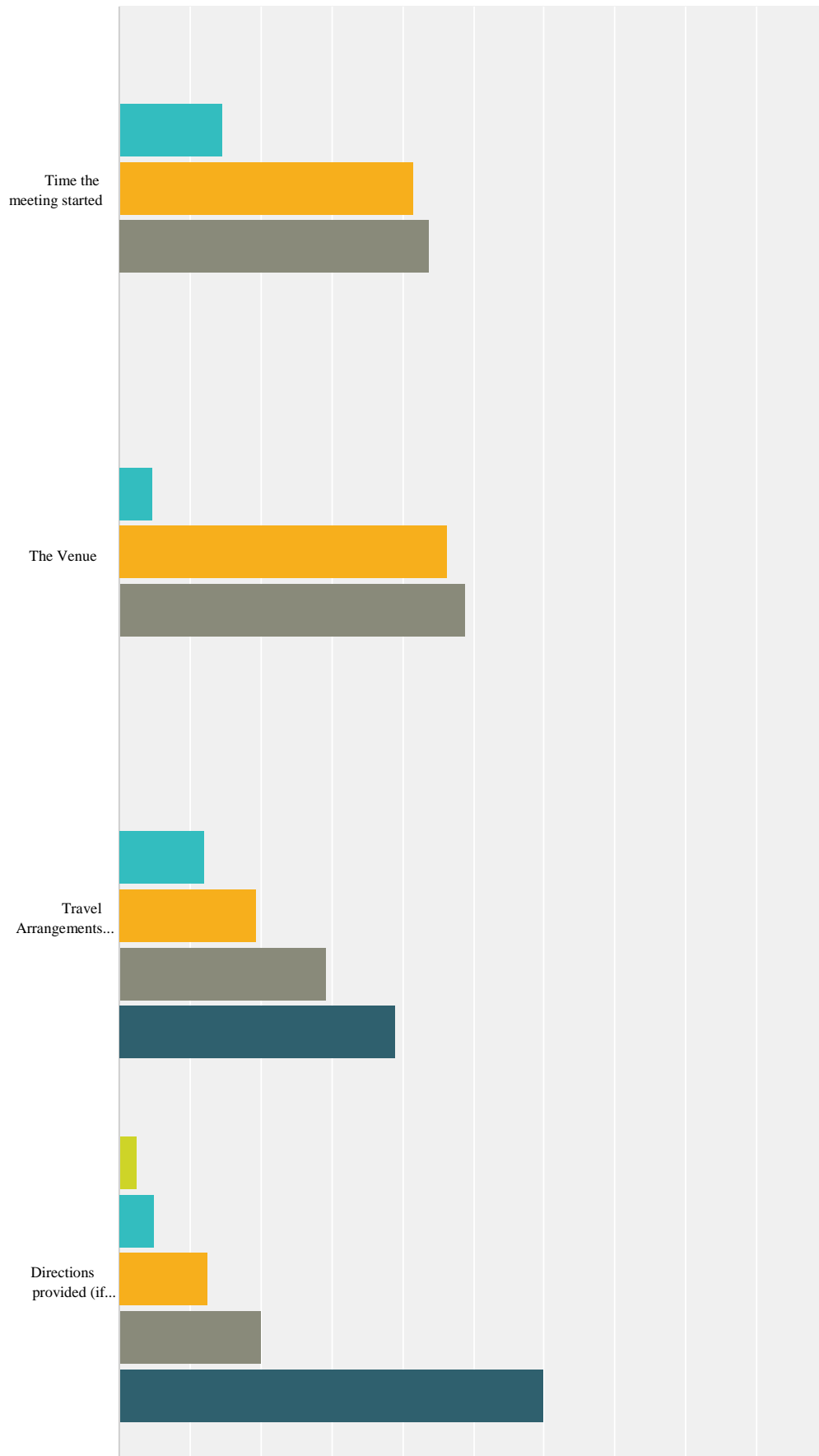
Answered: 41 Skipped: 0

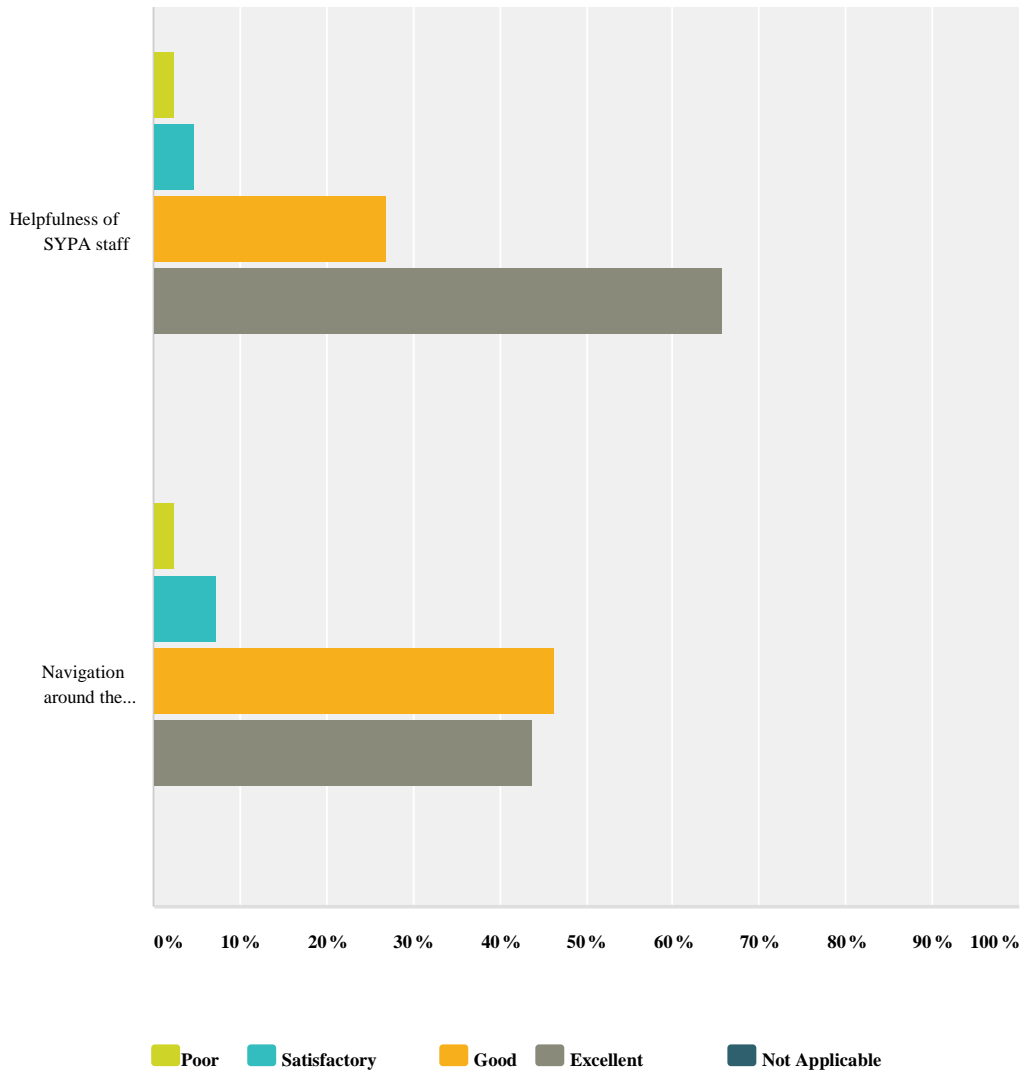


| Answer Choices | Responses |
|---------------------------|-----------|
| Pensioner | 78.05% 32 |
| Current Member | 12.20% 5 |
| Deferred Scheme Member | 0.00% 0 |
| Councillor | 7.32% 3 |
| Employer's Representative | 2.44% 1 |
| Total | 41 |

Q2 Please indicate your level of satisfaction with the arrangements

Answered: 41 Skipped: 0





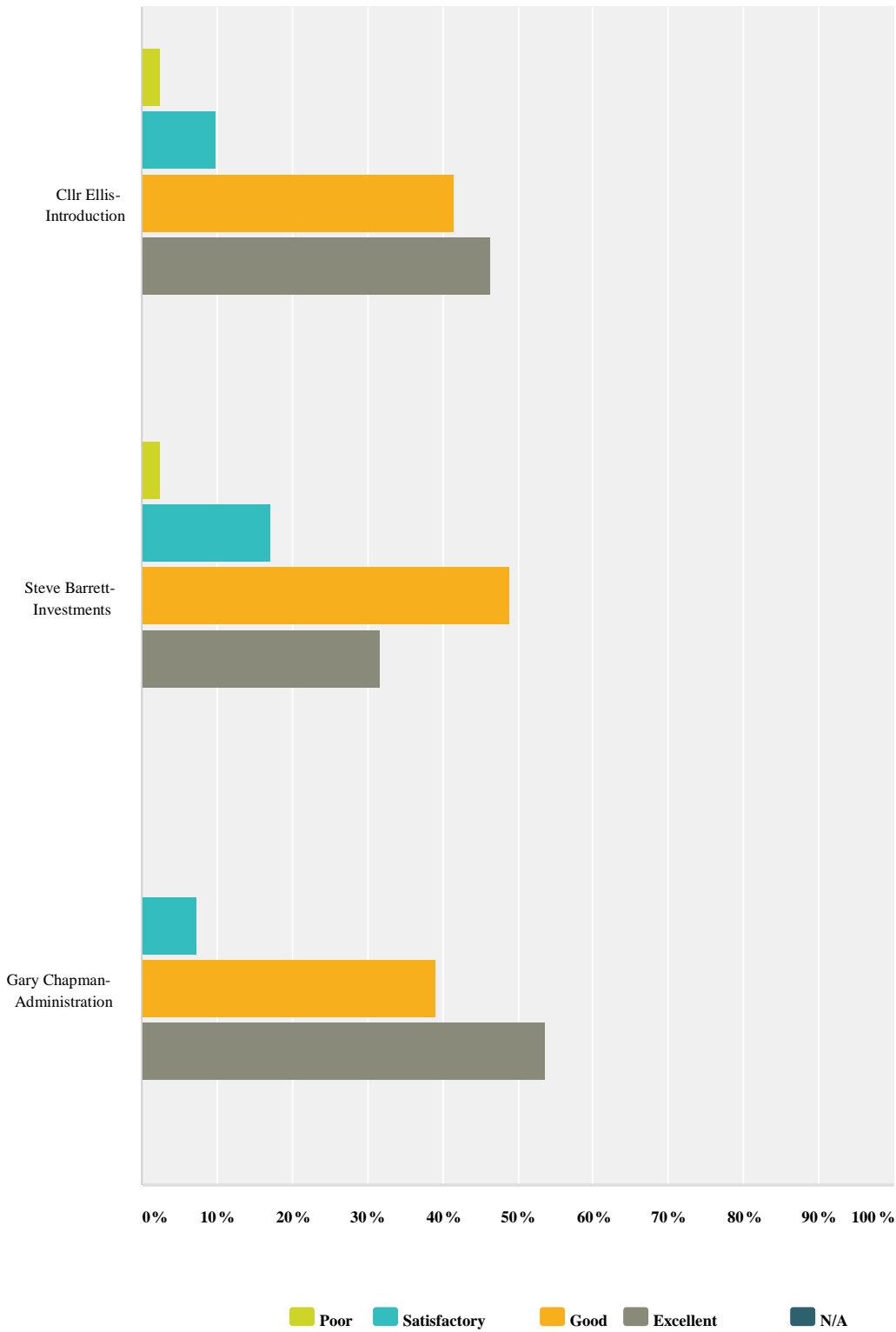
| | Poor | Satisfactory | Good | Excellent | Not Applicable | Total Respondents |
|---|------------|--------------|--------------|--------------|----------------|-------------------|
| Time the meeting started | 0.00% 0 | 14.63% 6 | 41.46% 17 | 43.90% 18 | 0.00% 0 | 41 |
| The Venue | 0.00% 0 | 4.88% 2 | 46.34% 19 | 48.78% 20 | 0.00% 0 | 41 |
| Travel Arrangements (if you used the transport provided) | 0.00% 0 | 12.20% 5 | 19.51% 8 | 29.27% 12 | 39.02% 16 | 41 |
| Directions provided (if you made your own way) | 2.50% 1 | 5.00% 2 | 12.50% 5 | 20.00% 8 | 60.00% 24 | 40 |
| Helpfulness of SYPA staff | 2.44% 1 | 4.88% 2 | 26.83% 11 | 65.85% 27 | 0.00% 0 | 41 |
| Navigation around the venue | 2.44% 1 | 7.32% 3 | 46.34% 19 | 43.90% 18 | 0.00% 0 | 41 |

Q2 Please indicate your level of satisfaction with the arrangements

- Unsure whether start time is correct - appreciating how difficult it is to sort out. Still think it is too early.
- May I suggest to travel for one and a half hours from Sheffield to the venue is too long and perhaps to arrange a mini bus to collect some members from the small pick-up out-stations?
- Map does not show N - S orientation assumes can travel north; map upside down from exit south from M1.
- Coach took a long route from Sheffield. There were a lot of pick-up options where coach had to wait for very few passengers.

Q3 Please indicate your level of satisfaction with the speakers and their presentations

Answered: 41 Skipped: 0

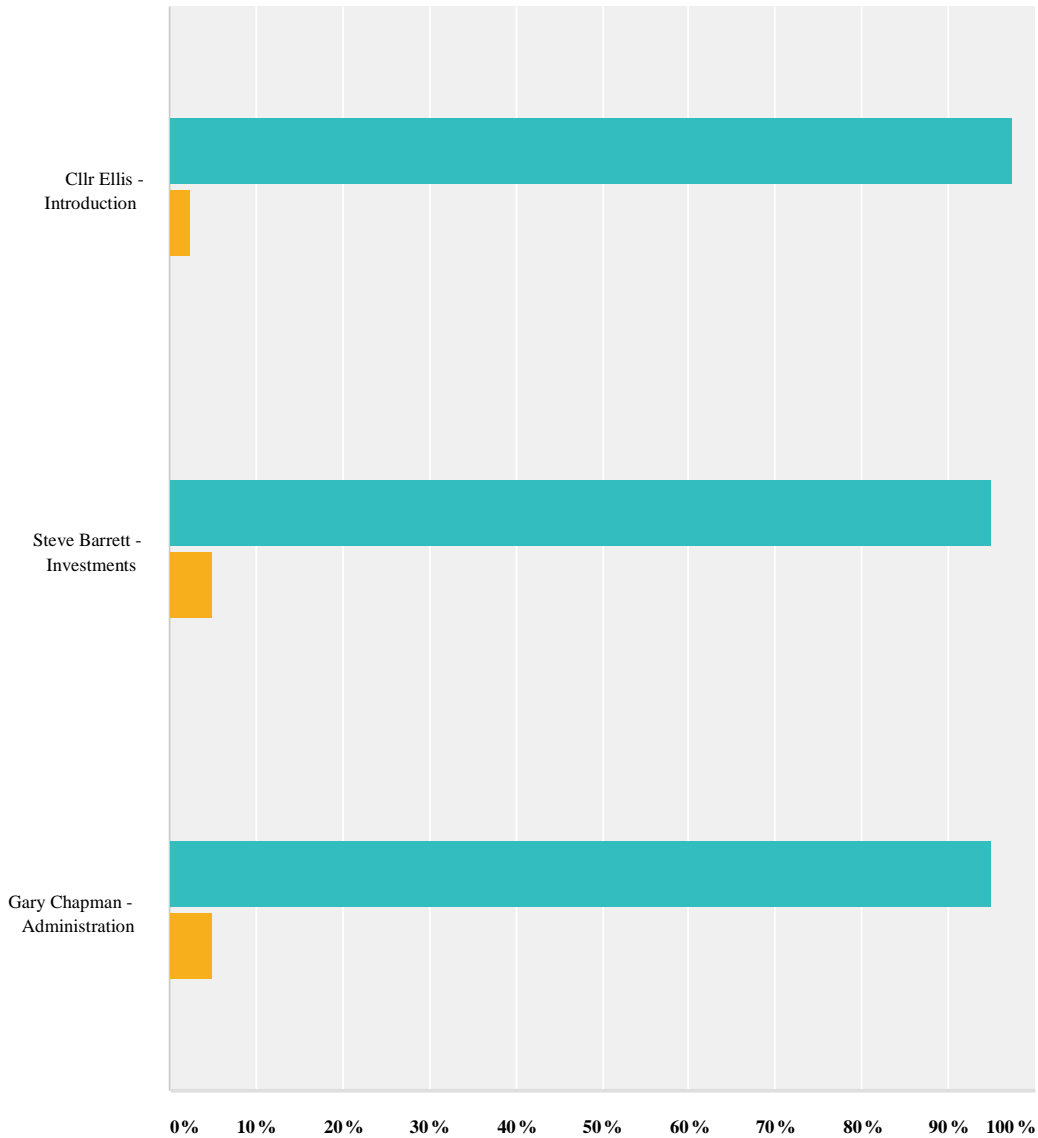


| | Poor | Satisfactory | Good | Excellent | N/A | Total Respondents |
|-------------------------------------|-------------|--------------|---------------|---------------|-------------|-------------------|
| Clr Ellis- Introduction | 2.44% 1 | 9.76% 4 | 41.46% 17 | 46.34% 19 | 0.00% 0 | 41 |
| Steve Barrett- Investments | 2.44% 1 | 17.07% 7 | 48.78% 20 | 31.71% 13 | 0.00% 0 | 41 |
| Gary Chapman- Administration | 0.00 % 0 | 7.32 % 3 | 39.02 % 16 | 53.66 % 22 | 0.00 % 0 | 41 |

Q4 Please indicate how you felt about the length of each presentation;

■ Too Short
 ■ About Right
 ■ Too Long
 ■ N/A

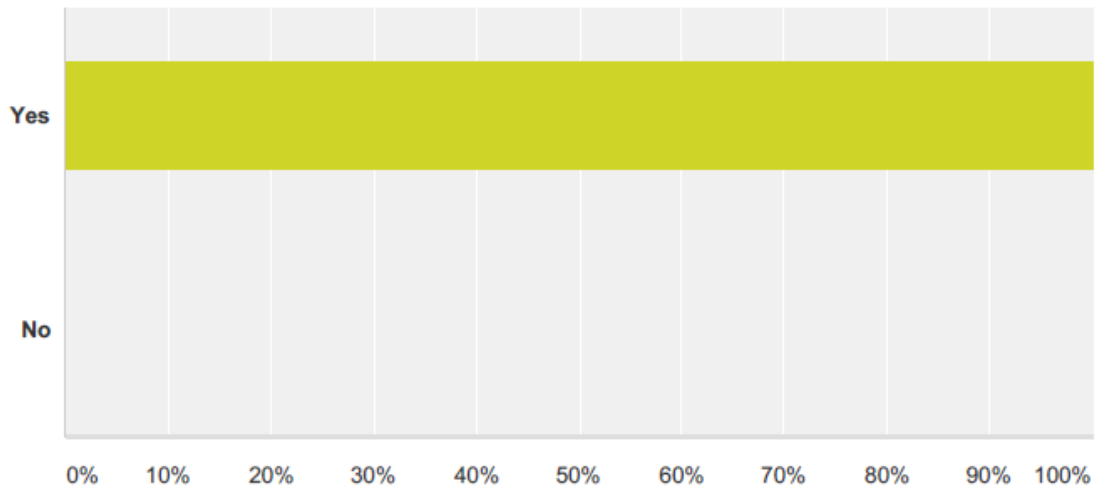
Answered: 40 Skipped: 1



| | Too Short | About Right | Too Long | N/A | Total Respondents |
|--------------------------------------|------------|--------------|------------|------------|-------------------|
| Clr Ellis - Introduction | 0.00% 0 | 97.50% 39 | 2.50% 1 | 0.00% 0 | 40 |
| Steve Barrett - Investments | 0.00% 0 | 95.00% 38 | 5.00% 2 | 0.00% 0 | 40 |
| Gary Chapman - Administration | 0.00% 0 | 95.00% 38 | 5.00% 2 | 0.00% 0 | 40 |

Q5 In your opinion was there enough time for questions at the end of each presentation?

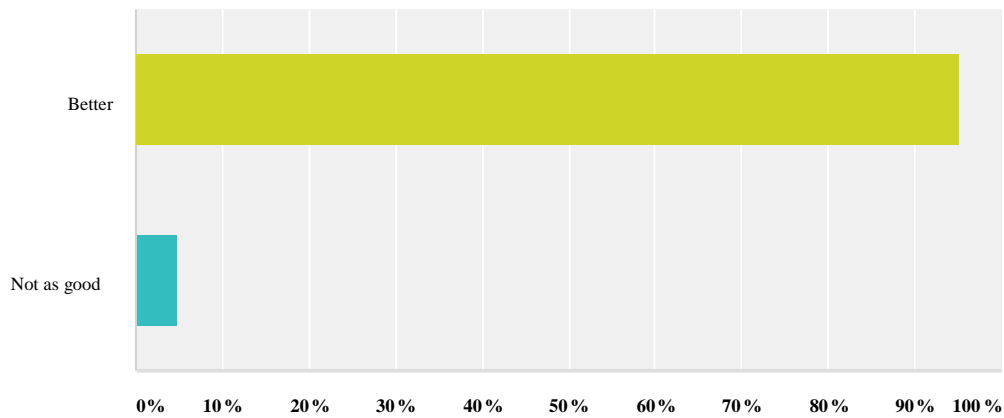
Answered: 41 Skipped: 0



| Answer Choices | Responses |
|----------------|------------|
| Yes | 100.00% 41 |
| No | 0.00% 0 |
| Total | 41 |

Q6 What do you think to having questions after each individual presentation, in your opinion is it better or not as good as having one question session at the end?

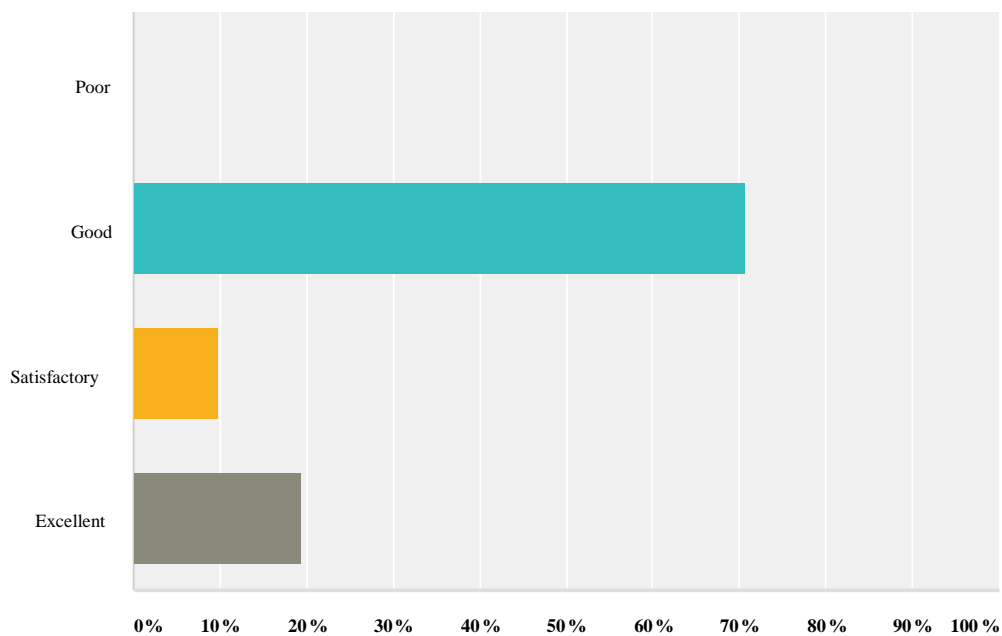
Answered: 41 Skipped: 0



| Answer Choices | Responses |
|--------------------|-----------|
| Better | 95.12% 39 |
| Not as good | 4.88% 2 |
| Total | 41 |

Q7 What do you think to the AFM 2016 hand-out/booklet?

Answered: 41 Skipped: 0



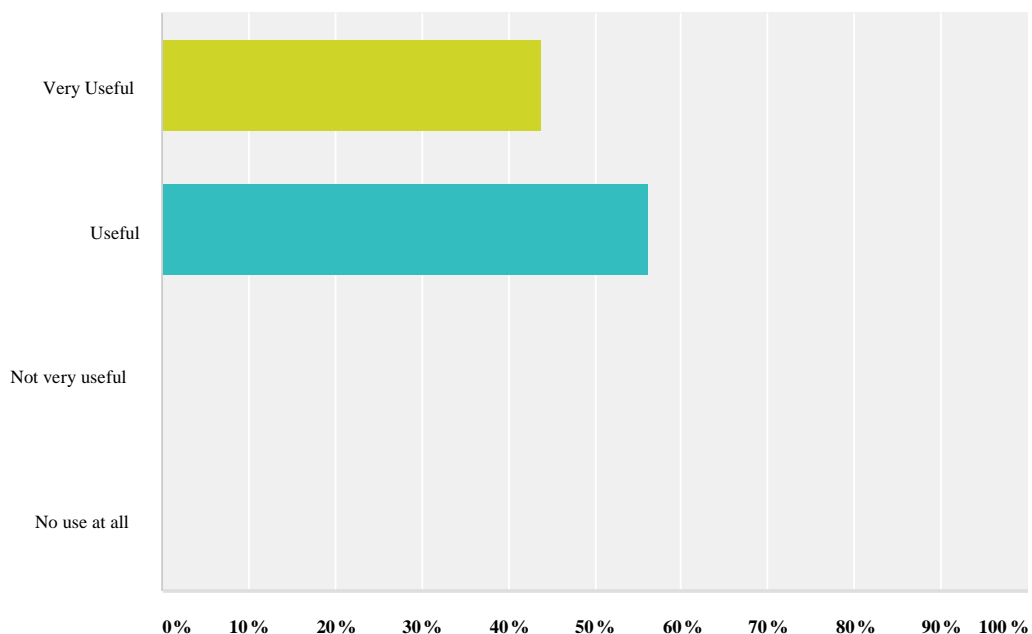
| Answer Choices | Responses |
|----------------|-----------|
| Poor | 0.00% 0 |
| Good | 70.73% 29 |
| Satisfactory | 9.76% 4 |
| Excellent | 19.51% 8 |
| Total | 41 |

Q7 What do you think to the AFM 2016 hand-out/booklet

- Good font size. No distracting backgrounds to the words.
- I would like more information to be made available on the balance sheet for the fund, either in the AFM hand-out or (preferably) sent out in advance with the Fund's newsletters sent out with details and the booking form for the AFM.
- It could be improved with larger text

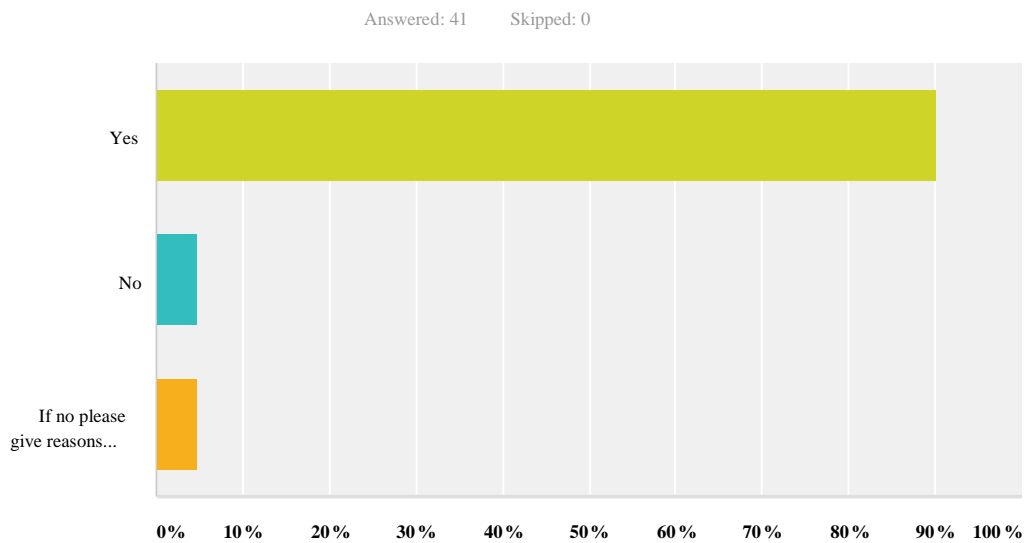
Q8 You have the opportunity to write in with a question prior to the meeting, do you find this;

Answered: 41 Skipped: 0



| Answer Choices | Responses | |
|-----------------|-----------|----|
| Very Useful | 43.90% | 18 |
| Useful | 56.10% | 23 |
| Not very useful | 0.00% | 0 |
| No use at all | 0.00% | 0 |
| Total | | 41 |

Q9 The meeting has been recorded and will be available to view on our YouTube account. Do you think this is a useful addition to the service we provide?

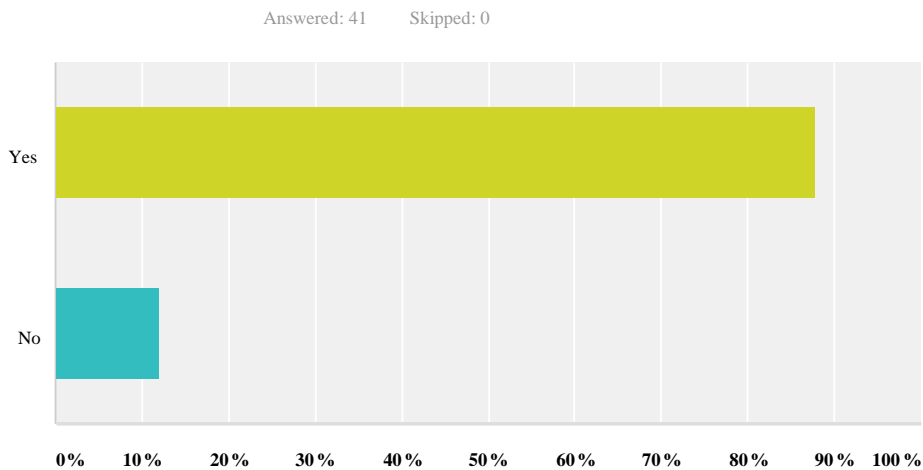


| Answer Choices | Responses | |
|---------------------------|-----------|----|
| Yes | 90.24% | 37 |
| No | 4.88% | 2 |
| If no please give reasons | 4.88% | 2 |
| Total | | 41 |

Q9 The meeting has been recorded and will be available to view on our YouTube account. Do you think this is a useful addition to the service we provide?

- Few pensioners will be interested
- No system to view

Q10 The meeting has been broadcast via live streaming this year, do you think this is a good idea?



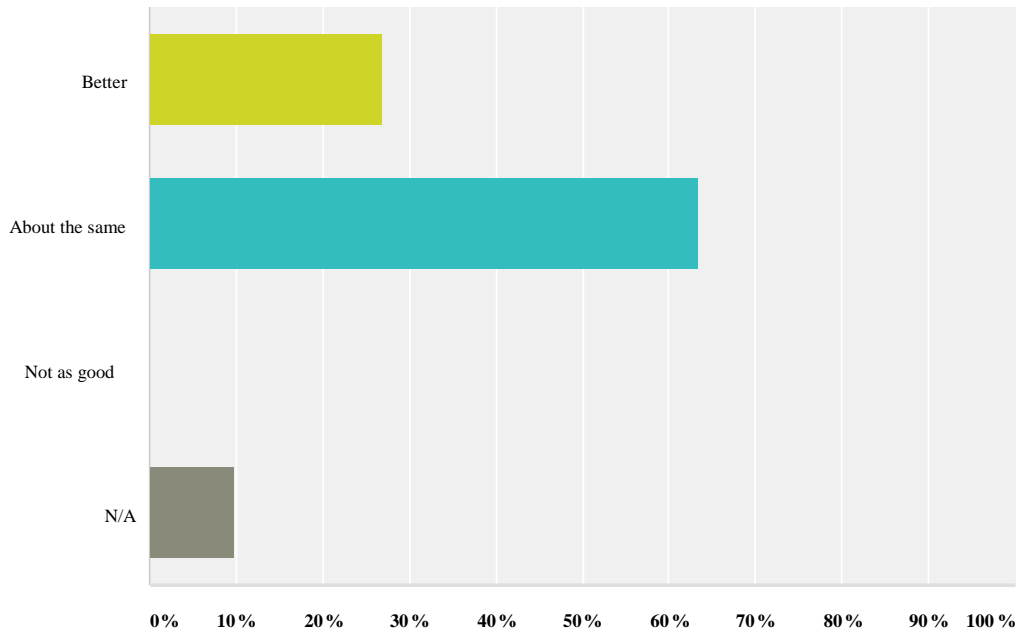
| Answer Choices | Responses |
|----------------|-----------|
| Yes | 87.80% 36 |
| No | 12.20% 5 |
| Total | 41 |

Q10 The meeting has been broadcast via live streaming this year, do you think this is a good idea?

- Few pensioners will be interested
- Not sure, is it worth the cost?
- It is probably me as an individual but I would prefer to be recorded and kept in the confines of the AFM meeting. I'm from the 'old school'. If there are sound reasons for this I would like to be notified by letter, at your convenience.

Q11 If you have attended the AFM before, how does this year's event compare to previous AFMs, was it:

Answered: 41 Skipped: 0



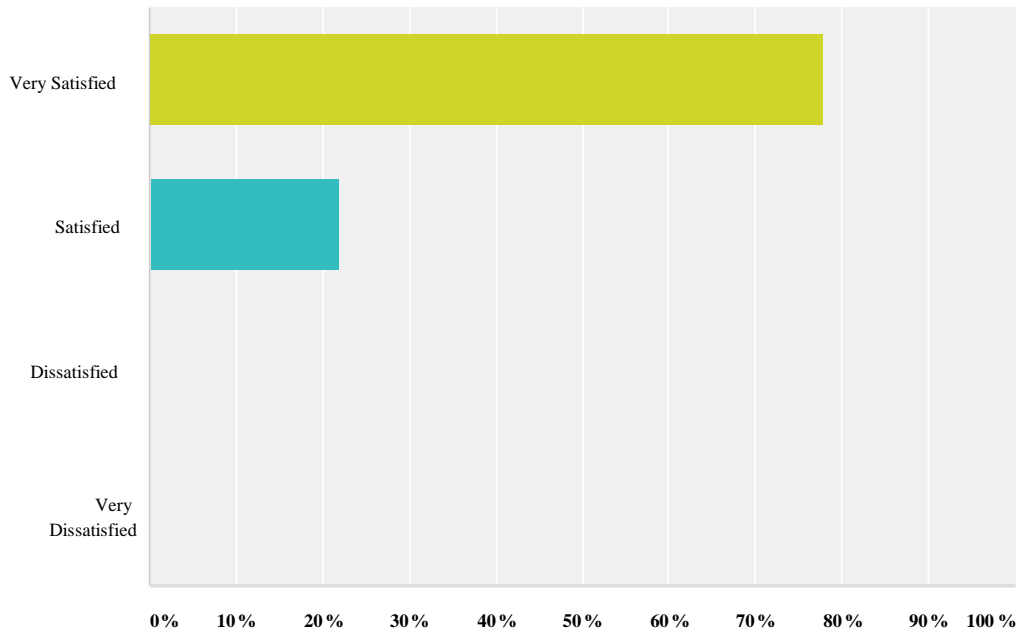
| Answer Choices | Responses |
|-----------------------|-----------|
| Better | 26.83% 11 |
| About the same | 63.41% 26 |
| Not as good | 0.00% 0 |
| N/A | 9.76% 4 |
| Total | 41 |

Q12 Please let us have any comments on any aspect of the meeting.

- Re the BREXIT Questions. The bulk of the public have voted yes to withdraw from the EU. If the Government keep their nerve we should be successful. Having been to work areas and seen the costs of these we need to be well rid!
- Filming the meeting just encourages speakers to talk too long (particularly politicians)
- All the staff at SYPA do a brilliant job. Well done Gary to 40 years, here's to the next 40. There's plenty of money in the world. I think it should be put in a pot and shared out equally. Then when I've spent mine, put it back in the pot again.
- I find it useful to come to the AFM to keep up to speed with South Yorkshire affairs now that I live outside the county in Nottinghamshire. Just one criticism- I seem to keep getting missed off your mailing database for newsletter/date of AFM. I have to remember to ring up.
- More space between rows would have been better for those who have mobility issues. There was plenty of room space for this to have been done. It was good that microphones were used so that everyone had quality sound levels (and loop users were not disadvantaged).
- All very good
- Many thanks for all your hard work which is very much appreciated. It's not easy to please everyone. Meeting always very informative with good speakers.
- Please have people turn off mobile phones. Happens every year and detracts from the meeting, as well as being impolite.
- Quite professional
- Good - Clear
- Should have tables for buffet
- It felt strange without John Hattersley

Q13 With every survey we also like to ask members, how satisfied are you with the overall performance of SYPA?

Answered: 41 Skipped: 0



| Answer Choices | Responses |
|--------------------------|-----------|
| Very Satisfied | 78.05% 32 |
| Satisfied | 21.95% 9 |
| Dissatisfied | 0.00% 0 |
| Very Dissatisfied | 0.00% 0 |
| Total | 41 |

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SOUTH YORKSHIRE PENSIONS AUTHORITY
LOCAL PENSION BOARD EXPENDITURE TO 28/02/17

Agenda Item 13

| | ORIGINAL OUTTURN | ACTUAL OUTTURN | 2016-17 VARIANCE | Note |
|--|---------------------|-------------------|---------------------|------|
|--|---------------------|-------------------|---------------------|------|

LOCAL PENSION BOARD

| | | | | |
|---------------------------------------|---------------|--------------|--------------|---|
| Travel, Accommodation and Subsistence | 3,000 | 1,679 | 1,321 | 1 |
| Training | 5,000 | 3,175 | 1,825 | 1 |
| Professional Advice | 2,000 | - | 2,000 | 1 |
| <hr/> | | | | |
| | 10,000 | 4,854 | 5,146 | |

1. Expenditure is within budget expectations as the Local Pension Board has incurred travel expense claims, subsistence and training expenses at 28/02/17

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Agenda Item 14

PENSIONS AUTHORITY MEETINGS 2017/18

| Pensions Authority | Corporate Planning & Governance Board | Investment Board | LPB |
|---------------------------|--|-------------------------|------------|
| | 2017 | | |
| | 1 June* | | |
| 8 June (Annual)* | | | |
| | | 22 June* | |
| | 20 July | | 20 July |
| | | 14 September | |
| 5 October | | | 5 October |
| | 19 October | | |
| 30 November | | | |
| | | 14 December | |
| | 2018 | | |
| 18 January | | | 18 January |
| | 15 February | | |
| | | 8 March | |
| 15 March | | | 15 March |
| | 14 June | | |
| 7 June (Annual) | | | |
| | | 21 June | |

* Meeting dates already arranged

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SYPA Member Training Events from January 2016

| Training Session | Date | G Berrett | G Boyington | S Carnell | N Doolan |
|----------------------------------|-------------|------------------|--------------------|------------------|-----------------|
| Treasury Management | 15.01.16 | | ✓ | ✓ | |
| Valuation Training | 14.09.16 | ✓ | | | ✓ |
| Fundamentals Day 1 | 16.10.16 | | | | |
| Fundamentals Day 2 | 09.11.16 | | | | |
| Effective Audit Committees | 11.11.16 | ✓ | ✓ | | ✓ |
| Fundamentals Day 3 | 06.12.16 | | | | |
| Internal Audit & Risk Management | 12.12.16 | | ✓ | ✓ | ✓ |
| Asset & Liability Info Session | 12.01.17 | ✓ | ✓ | ✓ | ✓ |
| Treasury Management | 19.01.17 | ✓ | ✓ | | |
| LPB Members Spring Seminar | 01.03.17 | ✓ | ✓ | | ✓ |

| Training Session | Date | K Morgan | S Ross | J Thompson | G Warwick |
|----------------------------------|-------------|-----------------|---------------|-------------------|------------------|
| Treasury Management | 15.01.16 | | | ✓ | ✓ |
| Valuation Training | 14.09.16 | | ✓ | ✓ | ✓ |
| Fundamentals Day 1 | 16.10.16 | | ✓ | ✓ | |
| Fundamentals Day 2 | 09.11.16 | | ✓ | ✓ | ✓ |
| Effective Audit Committees | 11.11.16 | ✓ | | | ✓ |
| Fundamentals Day 3 | 06.12.16 | ✓ | ✓ | ✓ | |
| Internal Audit & Risk Management | 12.12.16 | ✓ | | ✓ | |
| Asset & Liability Info Session | 12.01.17 | | | ✓ | ✓ |
| Treasury Management | 19.01.17 | | ✓ | | ✓ |
| LPB Members Spring Seminar | 01.03.17 | | ✓ | | ✓ |

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