

**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