

SHEFFIELD CITY REGION COMBINED AUTHORITY/SOUTH YORKSHIRE PENSIONS AUTHORITY

JOINT LOCAL PENSION BOARD

16 MARCH 2017

PRESENT: G Boyington (Scheme Member) (Chair)

G Berrett (Employer, SYP), S Carnell (Scheme Member), N Doolan-Hamer (Unison), A Hurst (Employer, Sheffield CC), K Morgan (Unite), 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), M McCarthy (Deputy Clerk), S Bradley (Audit Manager, BMBC) and G Richards (Democratic Services Officer)

Apologies for absence were received from Councillor T Corden

1 **WELCOME AND APOLOGIES**

The Chair welcomed everyone to the meeting noting that it was the first meeting for Councillor A Hurst, representing Sheffield CC as an employer.

Apologies were noted as above.

2 **DECLARATIONS OF INTEREST**

None.

3 **MINUTES OF THE MEETING HELD ON 6 OCTOBER 2016**

With regard to the vacancy for an Academy representative on the Board, M McCarthy informed members that after advertising the position again recently, there had been seven requests for information and two completed application forms returned. The closing date was Friday 17 March. He would be in touch with the Chair and Vice-Chair with regard to the interview process.

There had been no material changes to the Risk Register, therefore it had not been included on the agenda. It would be on the agenda for the July meeting.

With regard to an employer representative for the Passenger Transport Pension Fund, in view of the likelihood of the Fund being transferred to Greater Manchester Pension Fund in the future, it was decided to seek an alternative employer representative. It was agreed that if there were suitable applicants to appoint two Academy representatives.

It was agreed to remove item 5.1 – Monitor the validity of any discretions made by the employers/Administering Authority from the Terms of Reference as it wasn't relevant to the Board.

With regard to the need for indemnity insurance for the Board, although the risk was remote, officers were looking into including cover for the Board in the new insurance policy which was due for renewal if the cost was not prohibitive.

M McCarthy informed the Board that the website had recently been updated so the Local Pension Board section was on the front-facing page; further information would be added in the near future.

RESOLVED – That the minutes of the meeting of the Board on 6 October 2016 be agreed as a true record.

4 WORK PROGRAMME

The Board considered its Work Programme.

G Berrett questioned whether the Administration Strategy would be reviewed annually.

G Chapman replied that it would be looked at in April and any revisions taken to the October meeting of the Authority.

The Chair requested that the Board review this at their July meeting for input before the Authority meeting in October.

G Chapman agreed that if there were to be any revisions a report would be brought to the Board.

With regard to the Board's input into the Authority's Annual Report, this would have to be done by email due to the timings of the Board's meetings.

G Berrett questioned when the Board was going to review Internal Audit recommendations. It was noted that this was already done by the Corporate Planning and Governance Board but the Board received electronic links to all agendas and therefore could access all reports.

It was agreed that an email would be sent to members to flag any reports that were relevant to the LPB and invite comments.

With regard to the appointment of external auditors, the Authority had decided to opt in to a sector led procurement scheme where an Appointed Person appointed the external auditor on the Authority's behalf.

5 THE ROLE OF INTERNAL AUDIT

Audit Manager, Sharon Bradley informed the Board that Barnsley MBC delivered the Internal Audit Service for the Pensions Authority (this is a statutory function), their other clients were:

- South Yorkshire Fire & Rescue
- South Yorkshire Police & Crime Commissioner and Chief Constable
- Sheffield City Region Combined Authority
- South Yorkshire Passenger Transport Executive
- Berneslai Homes; and
- Barnsley MBC

Sharon explained the Institute of Internal Auditors definition of Internal Audit – the most recent developments being around the consultancy approach for Internal Audit, to enable Internal Audit to work with Clients (not “do to”) and therefore provide an added value service.

The Internal Audit Team was governed by the Public Sector Audit Standards and there are several principles within these. The Internal Audit service were required to undertake a comprehensive self-assessment annually and also commission an external assessment every five years. The external assessment was undertaken last year and the Service were found to be fully compliant. The assessments form part of the effectiveness of Internal Audit reports that were presented annually/six-monthly to the CP&GB.

Each year an Internal Audit Charter and Strategy was presented to the Authority (CP&GB). This details the purpose, objectives and approach adopted by Internal Audit. Additionally, the Head of Internal Audit prepared an Annual Audit for the CP&GB, to provide for an overall assurance opinion of the effectiveness on the Risk, Governance and Control Framework, based on the broad coverage of Internal Audit work undertaken during the year.

A risk-based Annual Internal Audit Plan was also prepared, in consultation with the Corporate Planning & Governance Board members, the Statutory Officers and the Authority’s Senior Management Team. The Plan details the number of days allocated annually to the Authority and the title and scope of the audits. This year 245 days had been assigned to the Authority, which was slightly less than the previous year. The Plan was designed to be flexible and to prioritise resources. Quarterly updates were provided to the CP&GB. Sharon also had regular plan update meetings with a member of the SMT.

The Chair thanked S Bradley for attending the meeting.

6 LGPS POOLING UPDATE

G Boyington referred the Board to a string of emails between the Chairs of Local Pension Boards regarding scheme member representation at pool level.

The first email had been received from the Chair of Tyne and Wear Local Pension Board the day before the Extraordinary meeting of SYPA to discuss their membership of the Border to Coast Pension Partnership.

At that meeting the decision was deferred and the Chair was asked to contact the other Chairs of the proposed pool members to ascertain their opinions on scheme representation at pool level.

As with the Chairs of the Local Pension Boards, the Authority Chairs' opinion was split, but with the majority being in favour of non-voting scheme member representation.

The Authority had approved an amended report at their meeting earlier in the day that supported scheme member representation.

The Board also commented on the current staff of SYPA and the need to ensure that they were not adversely affected, whether they were transferring to the pool or remaining with the Authority.

S Barrett informed the Board that discussions were in the early stages but every effort would be made to ensure that all staff were happy with the arrangements.

7 THE PENSIONS REGULATOR SELF-ASSESSMENT TOOL

The Pensions Regulator had issued a self-assessment tool for those involved in running a public service pension scheme to help identify issues and actions to take to improve governance and administration of the scheme.

G Chapman informed the Board that he had taken the assessment informally and, although there was some room for improvement, the results were generally good.

The restructure would strengthen the technical team and this would help further with achieving compliance.

The self-assessment results would go to the Authority at the October meeting to reassure the Authority regarding compliance and the plan in place to address any issues.

An interim report would be submitted to the July meeting of the Local Pension Board to enable the Board to comment on the position.

8 INVESTMENT STRATEGY STATEMENT

The Board considered the Investment Strategy Statements (ISS) for South Yorkshire Pensions Authority and the South Yorkshire Passenger Transport Pension Fund. These were updated versions of the strategies previously outlined in the Statement of Investment Principles. Pooling of investments had given rise to new regulations including a change of name to Investment Strategy Statement..

The Investment Board had approved SYPA's ISS on 9 March 2017 and the SYPTPF ISS would be submitted to the meeting on 27 March 2017.

9 FUNDING STRATEGY STATEMENT

The Board were informed that the Authority had approved a revised Funding Strategy Statement at its meeting earlier in the day; a revised Funding Strategy Statement would be submitted to the Passenger Transport Pension Fund Committee on 27th March 2017.

The Funding Strategy Statements had been amended to align with the Investment Strategy Statement.

SYPA funding level had risen to 85% and the ISS proposed a shift in investment classes to build on the long term strengths of the fund.

The Passenger Transport Pension Fund was in a different position as it was a closed fund with approximately 150 members and was 92% funded. There had been no shift in core investment strategy.

10 ANNUAL FUND MEETING SURVEY

The Board considered a report to inform of the results of a survey carried out among Scheme members who had attended the Annual Fund meeting.

The meeting had been attended by 62 delegates, 41 of whom returned a completed survey.

Members preferred the amended format where Q & A sessions were held after every presentation rather than at the end of the meeting with 95.12% of delegates agreeing this was better.

Overall the delegates were satisfied with most elements of the meeting, the main concern being the length of the bus journey from Sheffield. Officers had agreed to look at this before the next meeting.

11 FEEDBACK FROM CIPFA LPB SPRING SEMINAR

Several members of the Board had attended the CIPFA/Barnett Waddingham Local Pension Board Spring Seminar in Leeds on 1 March 2017.

Members had found it useful to varying degrees; it was thought that the section on record keeping had not been relevant.

S Ross felt that it had been useful to meet other Board members and learn what their Boards were doing.

Members were disappointed there had not been a more involved discussion on the subject of member-nominated representatives' involvement in pensions pooling

arrangement, despite the lack of guidance from the government or the Scheme Advisory Board.

Members were unsure overall if the event had been a worthwhile use of expenditure.

12 COMMUNICATIONS BETWEEN THE SY JOINT LOCAL PENSIONS BOARD, SCHEME MEMBERS AND EMPLOYERS

The Board discussed their ability to communicate with Scheme members.

It was felt that this was an area that could be progressed; active Trade Union representatives already had the ability to communicate with their members whereas it was more difficult for other members of the Board.

G Chapman informed the Board that all the Authority's channels of communication was at their disposal, including social media, the website, employer systems and space in the newsletter. Surveys could also be conducted if the Board required feedback.

The Chair commented that it was important for Scheme members to know who the Board were, what they did and how to get in touch with the Board.

G Warwick thought that communications could be used to advise Scheme members in certain areas e.g. capping final payments, although it would be important to make clear that any views expressed were those of the Board and not the Authority.

The Chair requested the Board be informed when the next newsletter was in production so the Board could consider if they wanted to have something included.

M McCarthy suggested including a Communications Strategy in the Annual Report; this was agreed.

13 LPB BUDGET

The Board noted its budget, the majority of which had been spent on training and travel costs.

It was agreed the budget would remain at £10,000 for the next financial year; there may need to be some provision for indemnity insurance.

14 MEETING CYCLE REPORT

The Board considered the meeting cycle for 2017/18.

Meetings were scheduled after meetings of the Authority or Corporate Planning and Governance Board; it was felt that Investment Board meetings were too long to schedule a further meeting afterwards. Members were always welcome to attend an Investment Board meeting if they so wished.

Meeting dates were confirmed as:

20 July 2017
5 October 2017
18 January 2018
15 March 2018

15 LPB TRAINING EVENTS

The Board considered training events attended by members during the year.

Further events would be offered as they became available and the Board would continue to be invited to all Authority training sessions.

16 ANY OTHER BUSINESS

None.

CHAIR