

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

**JOINT LOCAL PENSION BOARD**

**20 JULY 2017**

PRESENT: G Boyington (Scheme Member) (Chair)

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

Officers: G Chapman (Head of Pensions Administration), M McCarthy (Deputy Clerk), G Richards (Democratic Services Officer) and S Smith (Head of Investments SYPA)

Apologies for absence were received from S Carnell, Councillor P Lofts, S Barrett, N Copley and A Frostdick

1 WELCOME AND APOLOGIES

Apologies were noted as above.

2 DECLARATIONS OF INTEREST

None.

3 ANNOUNCEMENTS

None.

4 MINUTES OF THE MEETING HELD ON 16 MARCH 2017

With regard to the vacancy for an Academy representative on the Board, M McCarthy reported that this was still work in progress.

Reminders had been sent out recently reminding Members that, if they had not already done so, to complete the Pensions Regulator's self-assessment survey.

It was pointed out that it had been agreed previously that the Boards' budget would be £10,000 however, the budget report on the agenda stated £15,000. M McCarthy would look into this.

RESOLVED – That the minutes of the meeting held on 16 March 2017 be agreed as a correct record.

5 WORK PROGRAMME

The Board considered its Work Programme.

There was a discussion around the scheduling of Board meetings. The current schedule did not allow the Board to comment on reports such as the Annual Governance Statement before they were approved.

It was agreed that officers would look at adjusting the schedule or arranging additional meetings.

**6**     RISK REGISTER

The Board considered the Authority's strategic Risk Register.

With regard to risk 1, M McCarthy would seek clarification on the text mentioning the Local Pension Board.

A key for the Probability and Impact column would be included in future.

The Chair commented that risk 4 around social and environmental issues was a topic the Board members may be asked about and Board members needed to be aware of the Authority's policies.

**7**     LOCAL PENSION BOARD BUDGET

The Board noted its budget as at the end of Quarter 1.

**8**     SOUTH YORKSHIRE JOINT LOCAL PENSION BOARD ANNUAL REPORT

The Board considered its Annual Report which would be presented to the Pensions Authority in October.

The Chair thanked J Thompson for assistance in writing the report.

It was noted that Councillor attendance continued to be an issue; if the problem persisted the Board would consider requesting a change to the Constitution.

**9**     ANNUAL REVIEW OF THE CONSTITUTION AND TERMS OF REFERENCE

The Board reviewed its Constitution and Terms of Reference.

It was noted that both documents would need to be amended when the Passenger Transport Pension Fund (PTPF) transferred to Greater Manchester Pension Fund and the Board would be re-named, losing the 'Joint' from its title.

The Board discussed whether to replace the PTPF representatives or reduce Board membership to five employers and five employee members. It was decided to keep membership at 12 members for resilience.

Considering the difficulty in encouraging local authority members to attend, it was suggested that the Constitution could be amended so that a local authority officer could attend rather than an elected member.

Some members thought the Constitution was too prescriptive around membership and should not stipulate the number of types of employer.

Officers would check the guidance regarding membership, amend the Constitution and Terms of Reference and email them to the Board for comments before they were presented to the Authority for approval.

10 LOCAL PENSION BOARD CONFERENCE, YEAR 2, 28 JUNE 2017

The Chair and Vice-Chair had recently attended the Local Pension Board Conference, Year 2 which had been well attended.

The delegates were informed that The Pensions Regulators' focus over the forthcoming year would be on

- Governance
- Record-Keeping
- Internal Controls
- Member Contributions

There was emphasis on the new General Data Protection Regulations coming in from May 2018. One of the primary focuses for Pensions Authorities was to ensure compliance with the new regulations and this would be an area the Board could monitor.

G Boyington commented that the new regulations were much more demanding than the current ones and the Authority and Board must be satisfied that there was a policy in place that worked.

G Chapman agreed that there would be a lot more work, it was not practical to employ a data protection officer and not appropriate for a senior manager to undertake; discussions were ongoing with BMBC regarding sharing an officer.

It was decided that officers would look into organising a workshop on GDPR in the autumn, possibly to coincide with the October meeting of the Board.

The Board considered additional items to be added to their Work Programme including:

- Cyber Security/GDPR
- TPR Regulations – Acid Test
- Data Quality
- Board Appraisals for LPB members
- Succession Planning for LPB members

It was decided that the Chair, Vice-Chair and M McCarthy would meet in the near future to discuss succession planning. In the meantime, it would be useful if Board members could indicate whether they were prepared to continue on the Board for a further term.

11 INTERNAL DISPUTE RESOLUTION PROCEDURE

The Board considered the Authority's Internal Dispute Resolution Procedure and the information on the procedure available to Scheme members on the Authority's website.

G Chapman informed the Board that, as prescribed in the Regulations, the Authority had an Internal Dispute Resolution Procedure.

The LGPS had adopted a two stage procedure, at the first stage the member submitted an appeal to the organisation that made the decision being disputed. The second stage was intended to review the initial and first stage decisions and must be considered by SYPA as administering Authority.

Once the internal dispute route had been exhausted, a member could submit an appeal to the Pensions Ombudsman.

In answer to a question from a member, G Chapman informed the Board that everyone had the right to a second stage appeal, even where there was no further evidence.

97-98% of appeals were around ill-health retirements. In such cases the employers' decision was based around an independent medical opinion.

In addition to the Internal Dispute Resolution, the Authority also operated a formal complaints procedure. The Authority had received 10 formal complaints during the year, mostly from members asking for something the scheme rules did not allow.

12 INVESTMENT POOLING UPDATE

S Smith informed the Board that the Border to Coast Pensions Partnership (BCPP) had been formally constituted and the first meeting of the Joint Committee had been held in June.

The Committee had elected Cllr John Weighell from North Yorkshire as Chair and the Authority's Cllr Sue Ellis as Vice-Chair.

BCPP had informed DCLG that they could not hit the deadline of 1 April 2018 and were working to 1 June 2018.

The property search had resulted in a shortlist of four in central Leeds. It was hoped to agree a location and terms before the end of the year.

The Chair of BCPP had been appointed – all 12 had approved the appointment as per the Constitution.

Recruitment of the Chief Executive and two non-executive directors was underway, Cllr Ellis would be involved in the interviews for these posts.

This would be followed by the appointment of other senior officers, such as the Chief Investment Officer, in September.

Work was continuing on the submission to the FCA and ICT options were being explored.

13 REPORTING BREACHES OF THE LAW

The Board considered the Regulatory Code of Practice from the Pensions Regulator on reporting breaches of the law.

G Chapman reported that the Administration Division's restructure in April had created a Compliance team which would strengthen areas such as taxation issues and data and record keeping.

The Pensions Regulator had already been informed that the Authority would not achieve the target date for issuing Annual Benefit Statements. It was hoped to issue 75% by the 31<sup>st</sup> August 2017 deadline and the remainder by 31 March 2018. This decision had been taken to avoid a repeat of the backlog of cases that had built up the previous year.

14 REVIEW OF ADMINISTRATION STRATEGY

G Chapman informed the Board that it had been intended to review the Administration Strategy in October and to discuss this with the Board at the meeting today.

Due to the major changes occurring in April 2018 with regard to monthly contribution reconciliation it had been decided to review the Strategy to coincide with the implementation. The Board would be consulted on this beforehand.

15 INDEMNITY INSURANCE FOR LOCAL PENSION BOARDS

With regard to public indemnity insurance, M McCarthy informed the Board that A Hunt, BMBC's insurance lead, had no doubt that the casualty/liability insurance would cover the Local Pension Board but had asked Zurich Municipal who provide the Authority's insurance to confirm how their policy would respond.

Zurich's response was that their solution was to extend the officials indemnity element of the policy to include the Local Pension Board.

The Board asked for confirmation of this in writing.

CHAIR