

SOUTH YORKSHIRE PENSIONS AUTHORITY

17 FEBRUARY 2011

PRESENT: Councillor Andrew Sangar (Chair)
Councillors: D Baker, E Butler, B Ford, K Goult, B Johnson, B Lodge,
B Perrin, G Weatherall, P Wootton and R Wraith (Vice-Chair)

Trade Unions: Glyn Boyington (Unison)

Officers: Gary Chapman (Head of Pensions Administration), John Hattersley (Fund Manager), Stuart Lunn (Member Services Manager), Ralph Milne (Corporate Strategy Officer) and Bill Wilkinson (Clerk & Treasurer)

28/11 URGENT ITEMS.

None

29/11 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS.

RESOLVED – That agenda item 16 (Debt Write-offs) be considered in the absence of the public and press but that all remaining items be considered in the presence of the public and press.

30/11 ANNOUNCEMENTS.

The Chair announced that Stuart Lunn would retire from the Joint Secretariat shortly and that this would be his last meeting of the Authority.

31/11 DECLARATIONS OF INTEREST.

None.

32/11 APOLOGIES.

None.

33/11 MINUTES OF THE AUTHORITY AND BOARDS HELD ON:

a) Pensions Authority held on 13 January 2011

RESOLVED – That the minutes of the meeting of the Authority held on 13 January 2011 be signed by the Chair as a correct record.

b) Corporate Planning and Governance Board held on 3 February 2011

RESOLVED – That the minutes of the meeting of the Corporate Planning and Governance Board held on 3 February 2011 be signed by the Chair as a correct record.

34/11 WORK PROGRAMME

The Authority noted its work programme for 2011.

35/11 CHAIR FEEDBACK

The Chair of the Authority commented that he had recently managed to have a half hour discussion with Steve Webb, Minister of State, Department of Work and Pensions. The Chair had emphasised to the Minister the funded nature of the Local Government Pension Scheme compared to the unfunded nature of the other public sector schemes and that the average pension paid was about £4,000. The Minister's response had been non committal though the Chair thought he had accepted the point about it being a funded scheme.

At the request of a member the Chair said he thought that the Local Government Pension Scheme had served councils well; he felt that some reforms were needed but he did not wish to see any sudden changes.

36/11 SECTION 41 MEMBER FEEDBACK OF ISSUES FROM DISTRICT COUNCILS

None

37/11 REVENUE ESTIMATES 2011/12

The Authority noted that its draft budget approved on 25 November 2010 had been endorsed by the South Yorkshire Leaders.

The Authority had been concerned not to weaken the Pension Service's resources at a time when employers were shedding staff on a large scale with the consequent increase in demands for advice and administration. The Leaders had acknowledged the Authority's views but asked that the costs of the service be kept under review during 2011/12 and that opportunities to improve value for money or achieve efficiency savings should continue to be pursued.

It was suggested that, taking into account the proposals for changes in the management arrangements (agenda item 15) the opportunity should be taken to look fundamentally at the administration of the Fund. Changes already agreed included the deletion of a senior post consequent on a promotion to the Assistant Treasurer position on the latter's retirement; a change in the chief officer function as a result of the retirement of the Clerk and Treasurer; and, additionally, an expectation that the new Assistant Treasurer would consider opportunities for cost and efficiency savings if it was considered appropriate.

RESOLVED –

- 1 That the position be noted and that the budget for 2011/12 at £5,685,700 be formally approved.
- 2 That as the year progresses the Chief Officer report to the Authority on opportunities for cost savings and efficiency gains.

38/11 FRC: UK STEWARDSHIP CODE AND FSA REQUIREMENTS REGARDING COMPLIANCE DISCLOSURE

The Authority considered a statement regarding its compliance with the Financial Reporting Council's UK Stewardship Code.

The Financial Reporting Council's Stewardship code had been considered by the Authority's Investment Board last September. Following consultation the Financial Service's Authority (FSA) it had to prepare and publish a statement. Such a statement was now considered.

RESOLVED – That approval be given to the Authority's compliance disclosure statement regarding the UK Stewardship Code and that a report to that effect be presented to the next meeting of the Investment Board for information.

39/11 TREASURY POLICY AND STRATEGY STATEMENT 2011/12

The Authority considered the treasury management procedures and strategy followed by the Authority. The report reviewed the credit ratings and risk controls adopted by the Authority, the borrowing limits appropriate to the Authority and the short term forecasts being used by the Authority.

RESOLVED – That the Authority:

- a) adopts the Annual Investment Strategy and recommendations set out in Appendix I; and
- b) in accordance with Section 3(1) of the Local Government Act 2003 approves an Affordable Borrowing Limit, on a rolling basis for the forthcoming year and two successive years as outlined in Appendix II, of £250,000 being the maximum amount the Authority can afford to borrow; and
- c) keep the above under review.

40/11 REVIEW OF CORPORATE STRATEGY

The Authority considered a draft Corporate Strategy for 2011/14. It was acknowledged that this and its objectives could need significant changes in the light of the Hutton Report due in March 2011. This was being considered now as the Corporate Strategy Officer's fixed term contract ended on 31 March 2011.

RESOLVED –

- 1 That the minor amendments to the wording of the current Corporate Strategy be made, as outlined in the draft Corporate Strategy 2011-14, enabling existing strategic objectives to be simply rolled forward.
- 2 That this situation be reviewed in light of any changes resulting from the March 2011 report produced by Independent Public Service Pensions Commission (IPSPC) led by Lord Hutton of Furness.

41/11 EQUAL OPPORTUNITIES POLICY

The Authority considered adopting an equal opportunities policy document for consultation with employees upon the policy proposals and developing the necessary detailed procedures in due course.

RESOLVED – That the draft policy be approved and officers authorised to consult further on the proposals.

42/11 MANAGEMENT ARRANGEMENTS

The Authority considered an update on the arrangements that would operate following the planned retirement of senior managers. These arrangements were to be regarded as interim since those services provided by the Joint Secretariat needed to be considered along with issues affecting the services; for example the Police Authority was to be replaced by a Police and Crime Commissioner.

At the request of a member the Clerk and Treasurer commented on the accountability of the Joint Secretariat to the four district councils via the Joint Secretariat Management Board (including a representative of this Authority).

The post of Principal Pensions Manager would be deleted when the postholder was promoted as a consequence of the retirement of the Assistant Treasurer at the end of March 2011. The Clerk and Treasurer would formally retire from full time employment on 28 February 2011 but would continue in a different capacity for an interim period so providing cover for the statutory treasurer role pending a permanent appointment. It was proposed that the Clerk and Treasurer's current responsibilities as the Fund's Head of Service would be transferred to the Fund Manager in due course.

This had been discussed to some extent as part of the consideration of the Revenue Estimates item (minute 27/11). When the Clerk and Treasurer ceased acting as the Fund's Head of Service the existing linkage between his salary and those of the Fund's senior managers would no longer be relevant and it was proposed the latter be converted into so called 'spot' salaries instead. It was also suggested that job titles be reconsidered to reflect the changed situation.

All of these arrangements would be the subject of discussions with the individuals' trades unions.

As in the earlier discussion the view was expressed that there should be a more fundamental look at the administration of the Fund.

RESOLVED –

- 1 That the position be noted and that agreement to the interim and longer term arrangements be confirmed.
- 2 That members of the Authority be kept informed of developments by email.

3 That a letter of appreciation be sent to David Wilkinson on his retirement.

43/11 EXCLUSION OF PUBLIC AND PRESS

RESOLVED – That, under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following business, on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act, and the public interest not to disclose information outweighs the public interest in disclosing it.

44/11 DEBT WRITE-OFFS

The Authority considered the circumstances in which outstanding rent accounts relating to two premises within the Fund's commercial property portfolio had arisen.

RESOLVED – That approval be given to the write off of £39,995.88 being rent due on the Fund's properties.

CHAIR