

SOUTH YORKSHIRE PENSIONS AUTHORITY

14 JUNE 2012

ORDINARY MEETING

PRESENT: Councillor M Lawton (Chair)
Councillor R Wraith (Vice-Chair)
Councillors; D Baker, E Butler, K Goulty, B Lodge,
C McGuinness, B Perrin, L Rooney, A Sangar and P Wootton

Trade Unions: G Boyington (Unison)

Officers: G Chapman (Head of Pensions Administration),
J Hattersley (Fund Director), B Wilkinson (Clerk & Treasurer),
R Bywater (Principal Policy Officer), M McCoolle (Senior
Member Services Officer), M Oades (Deputy Clerk &
Monitoring Officer) and M McCarthy (Head of Policy and
Performance)

Apologies for absence were received from Councillor B Ford

1 LOYAL SERVICE AWARDS SCHEME

A report of the Clerk and Treasurer was submitted to advise Members of the twelve officers who were eligible to receive loyalty awards this year. The Authority had agreed last November to introduce a long-service award scheme for employees who had achieved twenty five years of continuous pension service, and today was the first presentation of the awards. Employees who were eligible for the scheme would receive a certificate recognising their long service, £100 worth of retail vouchers, and an extra annual leave day to be taken during the calendar year, in recognition of their commitment to the Authority.

Councillor Lawton presented the long-service award certificates to the following employees:-

Vanessa Holmes, District Pensions Manager

Patricia Knowles, Team Manager

Colleen Lightfoot, Admin Officer

Martin Waterhouse, Pensions Officer

Tina Wood, Communications and Training Assistant

Gary Chapman, Head of Pensions Administration

John Hattersley, Fund Director

Five other employees were also eligible for the award, but were unable to attend today's meeting:-

Bev Clarkson, Head of Finance

Alison Critchley, Team Manager

Sue Holliday, Accountancy Officer

Shirley Nicholson, Team Manager

Sharon Smith, Head of Investments

Councillor Lawton commented that the Authority depended upon the experience and commitment of employees, who had helped to give the Authority a very good reputation both locally and nationally; and expressed his thanks to them. J Hattersley thanked Members on behalf of the employees, for the recognition shown.

RESOLVED – That the report be noted.

2 APOLOGIES

Apologies were noted as above.

3 ANNOUNCEMENTS

None.

4 URGENT ITEMS

None.

5 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS

RESOLVED – That agenda item 14 be considered in the absence of the public and press.

6 DECLARATIONS OF INTEREST

New declarations of interest were received from the following Members:-

Councillor Lodge was a Member of the Pension Fund.

Councillor McGuinness was a Member of the Pension Fund.

Councillor Sangar's wife was a Member of the Pension Fund.

Councillor Baker's wife was a Member of the Pension Fund.

Previously received declarations were noted and rolled over into this municipal year.

7 MINUTES OF THE MEETING OF THE PENSIONS AUTHORITY HELD ON 12 APRIL 2012

RESOLVED – That the minutes of the meeting of the Authority held on 12 April 2012 be agreed and signed by the Chair as a correct record.

8 MINUTES OF THE CORPORATE PLANNING AND GOVERNANCE BOARD HELD ON 17 MAY 2012

RESOLVED – That the minutes of the Corporate Planning and Governance Board held on 17 May 2012 be received.

9 WORK PROGRAMME

Members noted that there would be an additional meeting of the Authority on Thursday 26 July 2012, to discuss the proposals for the future meeting schedule of the Authority and the Boards.

RESOLVED – That the contents of the report now submitted be noted.

10 LGPS REFORM PROPOSALS UPDATE

A report in relation to the LGPS Reform Proposals Update was received.

The outcome of negotiations with the Local Government Association (LGA) and trade unions had been announced on the new LGPS proposals for England and Wales, to take effect from 1 April 2014.

All pensions in payment or those built up before April 2014 would be protected. For contributing Scheme Members the pre April 2014 pension would still be based on final salary at retirement, and the current normal pension age. There would be no change to the death in service lump sum or death in service survivor benefits. There would be an accrual rate of 1/49th compared to 1/60th for LGPS 2008.

Under the new Scheme provision had been made for people who might have wanted to opt out of the Scheme to instead pay half of the contributions and accrue half of the benefit for a period of up to 3 years. Normal pension age would be align to the individual member's State Pension Age. Members would still be able to retire before their normal pension age but would have their benefits reduced. Protected early retirement dates from the 2008 scheme would remain however. The qualification for benefits period would change from 3 months to 2 years. LGPS Members who's jobs were compulsorily transferred to the private sector would be able to retain membership of the Scheme.

The proposals have been publicised on the website and employers system as well as our social networking sites. A special edition active newsletter will be issued before the end of the month.

Councillor Wraith suggested a presentation on the scheme to be given to each of the local authorities, and for Members to be invited. G Chapman commented that the more the Authority could do to get the message across to Members and employers the better.

RESOLVED – That Members noted the report, and awaited the finer detail of the LGPS reform proposals.

11 FRAMEWORK AGREEMENT

A report of the Clerk and Treasurer was submitted to give advance notice of the intention to enter into a framework agreement for the procurement of a pensions administration computer system.

At the November 2011 Authority meeting Members were advised that the Authority's ageing pensions administration system would need to be replaced within the foreseeable future. The current system was a highly complex computer program which was at the heart of Fund administration activities, and was used to record all Scheme member data, and to calculate and pay benefits to Fund members.

The Authority had been in a long term relationship with the current system supplier over the last thirty six years, where in all but the last few years it had been possible to renew contracts every five years or so, as there was no other company in the marketplace who produced a comparable system for the Local Government Pension Scheme. This had changed with the emergence of a competitor system. A framework group which represented ten local government pension funds was in the process of being finalised, with the intention of entering into a full and open tender during the remainder of the year. Although it had originally been estimated that participation in the framework agreement would cost the Authority approximately £5,000 that figure had been revised upwards to £10,000.

RESOLVED – That Members approved the costs of joining the framework group.

12 MEMBER DEVELOPMENT

A report of the Clerk and Treasurer was submitted to emphasise the importance of maintaining comprehensive and up to date learning and development programmes for all Members of the Authority.

The need for Members to undertake continuous training and development was essential due to the Authority's specialised area of business which involved responsibility for 130,000 Fund members and investments valued at over £4.6bn.

R Bywater commented that the report had been produced following discussions with officers and the Chair and Vice Chair, who had recognised the level of skills and knowledge required by Members. The organisation needed to demonstrate compliance with the Myners' Principles governing investment decision making and the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills.

Members appointed Councillor Wraith as Lead Member for Learning and Development.

Each Member would have an individual plan prepared in relation to the personalised Training Need Analysis, based upon their previous experience, and the length of time they had been a Member of the Authority. The requirement that all Members complete the LGPS Trustee Training Fundamentals three day course, provided by the

Local Government Employers Organisation, was reasserted. It was noted that existing Members would need to complete the Fundamentals course, and basic induction training was required for the most recently appointed Members.

Members noted that the trades unions provided their delegates with in-house training but that other representatives on the Pensions Advisory Panel received no external training. It was agreed that they should be offered LGPS Fundamentals training and that the Authority bore the cost.

Councillor Wraith welcomed the report, and thanked R Bywater and staff for preparing the report in a short period of time.

Members were requested to complete the Learning and Development Questionnaires, and return to R Bywater.

RESOLVED – That Members:-

- i) Approved the draft Learning and Development Strategy and requested updates at future meetings.
- ii) Approved further development to the draft annual training plan, prior to implementation.
- iii) Agreed that non trades unions representatives on the Pensions Advisory Panel be offered LGPS Fundamentals training and that the Authority's Democratic Representation budget would bear the cost of that training.
- iv) Appointed Councillor Wraith as Lead Member for Learning and Development.
- v) Agreed to a round of personal development reviews, to be arranged with individual Members.

13 WEBCASTING

A report of the Clerk and Treasurer was submitted to seek approval for a renewal of the webcasting contract for a further year.

All four South Yorkshire Joint Authorities had been part of a contract for a webcasting service from the Public-i Group Ltd, which was due to expire on 29 June 2012. The extension would be discussed at all of the authority meetings during the month.

The cost of the third year of the webcasting contract would fall by 10% to £19,763.90, although the Authority's share would rise by £600, to reflect the small falls in use by the other authorities. A Citizenscape platform was now included in the contract, which had given viewers a number of integrated features including live chat regarding what was being webcast, news feeds, information from the social web, polls and surveys, and tag clouds.

M McCarthy commented that the Authority would strive to encourage more people to view the webcasts.

RESOLVED – That Members agreed that the webcasting contract be extended for a further year and that the costs be met out of the Democratic Representation budget.

14 EXCLUSION OF THE 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 items of business, on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act, and the public interest not to disclose the information outweighs the public interest in disclosing it.

15 INVESTMENT ADVISORY PANEL APPOINTMENT INTERVIEWS

A report of the Clerk and Treasurer was submitted to seek Authority permission to appoint two candidates to the Investment Advisory Panel. It was agreed that in accordance with LGPS requirements the contracts be terminable upon one month's notice but notwithstanding that the appointments be limited to a maximum tenure of ten years and that they be formally reviewed after three years.

RESOLVED – That the Authority accepted the recommendation of the Interview Panel to appoint two candidates to the Investment Advisory Panel on the terms outlined and that the appropriate budgetary provision be authorised.

CHAIR