

# SOUTH YORKSHIRE PENSIONS AUTHORITY

17 JANUARY 2013

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

Trade Unions: G Boyington (Unison) and G Warwick (GMB)

Officers: S Pick (Clerk and Treasurer), G Chapman (Head of  
Pensions Administration), J Hattersley (Fund Director),  
M McCarthy (Deputy Clerk), R Bywater (Principal Policy  
Officer) and M McCoolle (Senior Democratic Services Officer)

Apologies for absence were received from Councillors B Ford,  
B Lodge and C McGuinness

1 APOLOGIES

Apologies were noted as above.

2 ANNOUNCEMENTS

None.

3 URGENT ITEMS

RESOLVED – That an urgent report entitled ‘Local Authority Pension Fund Forum: Elections’ be considered in the absence of the public and press.

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

RESOLVED – That agenda item 16 entitled ‘Software Sales’ be considered in the absence of the public and press.

5 DECLARATIONS OF INTEREST

None.

6 MINUTES OF THE MEETING OF THE AUTHORITY HELD ON 22 NOVEMBER 2012

The Chief Executives at the four local authorities had previously been sent letters on behalf of the Authority, to draw their attention to the issues which needed addressing regarding the timely issue of pensions data. A formal response had been received from Barnsley but no response had yet been received from Doncaster or Sheffield. It was agreed that no response was expected from Rotherham as they had been sent a letter acknowledging their good performance in issuing pensions data. Members from

Doncaster and Sheffield agreed to make contact with their respective Chief Executives in relation to a response.

M McCarthy reported that Fundamentals training was in the process of being provided to the one remaining Member.

RESOLVED – That the minutes of the Authority meeting held on 22 November 2012 be noted.

7 MINUTES OF THE BOARDS

a) Corporate Planning and Governance Board held on 15 November 2012

RESOLVED – That the minutes of the Corporate Planning and Governance Board held on 15 November 2012 be noted.

b) Investment Board held on 13 December 2012

RESOLVED – That the minutes of the Investment Board held on 13 December 2012 be noted.

8 WORK PROGRAMME

The Authority considered its Work Programme to 13 June 2013.

Councillor Lawton commented that training and development should be looked at further; and suggested the only training to be held at the conclusion of the AGM on 13 June 2013 should be new member induction training.

RESOLVED – That the contents of the Work Programme be noted.

9 SECTION 41 FEEDBACK FROM DISTRICT COUNCILS

Councillor Goulty referred to the Ministerial Statement of the intention to consult on removing access to the Local Government Pension Scheme (LGPS) to councillors from April 2014.

RESOLVED – That the matter be discussed at Item 12 'LGPS Reform Proposals Update' on the agenda.

10 REVENUE ESTIMATES 2013/14

A report of the Clerk and Treasurer was submitted to confirm the endorsement by the South Yorkshire Leaders of the Authority's draft budget proposals considered by the Authority on 22 November 2012.

RESOLVED – That Members:-

i) Formally confirmed the budget proposals.

ii) Approved the budget of £5,340,700 for 2013/14.

11 BOARD CHAIRS' REPORTS

Councillor Lawton had recently attended an LGA meeting on infrastructure funding, which had been attended by a number of local authorities, trade unions, Government departments and FTSE 100 companies. Councillor Lawton would report back to the Authority following further meetings.

12 LGPS REFORM PROPOSALS UPDATE

The Head of Pensions Administration gave a verbal update to the Authority on the LGPS Reform Proposals.

A statutory consultation on draft regulations for the new LGPS had been issued by The Department for Communities and Local Government (DCLG) prior to the 2012 Christmas break. From 1 April 2014 the regulations were due to come into force, which would cover the core aspects of the new scheme relating to membership, contributions and benefits.

Members noted a second consultation exercise would be issued as soon as possible, to cover the following key areas:-

- Transitional arrangements
- Cost control
- Governance
- Fair deal
- Councillors' pensions

Headline changes to the new scheme would include:-

- A Career Average Scheme
- An accrual rate of 1/49<sup>th</sup> of pay for each year of membership
- Scheme retirement age linked to new state pension age for active and deferred members

In order to qualify for a retirement benefit under the new scheme, contributions must be paid for a minimum of two years. Members wishing to retire at age 55 (the earliest that benefits could be taken) would no longer need the permission of their employer, but their benefits would be subject to an actuarial reduction due to early payment; and they would have to give their employer three months' notice. Members could elect to be part of the 50/50 scheme, where they would pay 50% of their required contribution rate in return of 50% of the benefits.

The establishment of a National Board was envisaged, to monitor the standards of administration across the country, and to ensure what the Regulations and Pensions Bill required in terms of governance. Membership of the board would be elected from employers, trades unions and representative bodies.

A discussion arose around the Ministerial Statement regarding the intention to consult on removing access to the scheme to councillors from April 2014. Members agreed that the issue should be pursued through SEGOMA.

The Fund Director reported that the Public Service Pensions Bill had recently had its second reading in the House of Lords. The Pension Minister had made a statement on State Pension Reform, which would have implications for Local Government Employers in the long term.

RESOLVED – That the update be noted.

13 COMPLIANCE WITH MYNERS' PRINCIPLES: SELF-ASSESSMENT

A report of the Clerk and Treasurer was submitted to inform Members of the outcome of the self-assessment against the Myners' Principles. In October 2011 Members had adopted a self-assessment system and agreed to use a template to gauge compliance. Members had been requested to complete and return the forms to the Clerk and Treasurer at the end of the financial year (March 2012), and seven of the twelve forms had been returned. The results had been positive, and no areas of concern or development needs had been identified.

M McCarthy reported that the Democratic Services Team had recently been restructured to provide greater support and assistance to Member development.

RESOLVED – That the Authority:-

- i) Noted the contents of the report.
- ii) Confirmed its commitment to the process for this financial year.
- iii) Agreed to any development needs arising from the results.

14 MANAGEMENT ARRANGEMENTS

A report of the Clerk and Treasurer was submitted to formally record the changes of job titles of senior officers of the Authority. Following the retirement of the Assistant Treasurer, and in anticipation of the retirement of the incumbent Clerk and Treasurer, changes had taken place to the senior management structure of the Authority in 2011.

RESOLVED – That Members formally approved the following job title changes:-

Formerly Assistant Treasurer now Head of Pensions Administration  
Formerly Fund Manager now Fund Director  
Formerly Assistant Fund Manager now Head of Investments  
Formerly Operations Manager now Head of Finance

15 TRADES UNION REPRESENTATION ON BOARDS

A report of the Clerk and Treasurer was submitted to inform the Authority of the current position regarding Trades Union seats on the Corporate Planning and Governance Board and the Investment Board.

A discussion arose around the non-attendance at Authority meetings of the UCATT representative. Members agreed that a letter be sent on behalf of the Authority to the UCATT Senior Officer suggesting that an alternative representative be appointed to attend future Authority meetings. Councillor Wraith suggested that if a trades union

representative had not attended any meetings or sent apologies for a period of 12 months, then a letter should be sent to that trades union.

RESOLVED – That Members:-

- i) Approved the extension to the Terms of Office of the Trades Union representatives on the Authority's Boards until 31 March 2014.
- ii) Agreed a letter be sent on behalf of the Authority to UCATT suggesting that an alternative representative be appointed to attend future Authority meetings.

16 EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED – That, under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act and the public interest not to disclose information outweighs the public interest in disclosing it.

17 SOFTWARE SALES

A report of the Head of Pensions Administration was submitted to update Members on the recently completed 'Pilot Project' and to seek approval for further sales to other LGPS Administering Authorities.

Members thanked all officers involved for the commendable work undertaken.

RESOLVED – That Members approved the sale of internally developed software to other LGPS Administering Authorities on a commercial basis.

18 LOCAL AUTHORITY PENSION FUND FORUM: ELECTIONS

A report of the Clerk and Treasurer was submitted to inform Members that an election was being held for the Chair and Vice Chair of the Local Authority Pension Fund Forum.

RESOLVED – That Members:-

- i) Agreed to vote in the election.
- ii) Indicated which candidates to support in the election.

CHAIR