

**SOUTH YORKSHIRE  
PENSIONS AUTHORITY**

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Authorised and regulated by the  
Financial Conduct Authority

Steve Pick CPFA  
*Clerk and Treasurer*

18 Regent Street  
Barnsley  
South Yorkshire  
S70 2HG

[www.southyorks.gov.uk](http://www.southyorks.gov.uk)

**NOTICE OF AUTHORITY MEETING**

**You are hereby summoned to the Ordinary meeting of the South Yorkshire Pensions Authority to be held at the offices of the South Yorkshire Joint Secretariat, 18 Regent Street, Barnsley, S70 2HG on Thursday 20 June 2013 at 10.15 am for the purpose of transacting the business set out in the agenda.**

**M V Oades  
Deputy Clerk and Monitoring Officer**

This Matter is being dealt with by: Andrew Shirt  
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## **Distribution**

Councillors M Lawton (Chair), R Wraith (Vice-Chair), D Baker, E Butler, J Campbell, R Ford, K Goulty, K Richardson, K Rodgers, L Rooney, A Sangar and P Wootton

## **Contact Details**

For further information please contact:

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**SOUTH YORKSHIRE PENSIONS AUTHORITY**

**20 JUNE 2013 AT 10.15 AM AT THE OFFICES OF THE SOUTH YORKSHIRE JOINT SECRETARIAT, 18 REGENT STREET, BARNSELY**

**Agenda: Reports attached unless stated otherwise**

	<b>Item</b>	<b>Page</b>
1	Loyal Service Award Scheme - Presentation	
2	Apologies	
3	Announcements	
4	Urgent Items  To determine whether there are any additional items of business which by reason of special circumstances the Chair is of the opinion should be considered at the meeting; the reason(s) for such urgency to be stated.	
5	Items to be considered in the absence of the public and press.  To identify items where resolutions may be moved to exclude the public and press. (For items marked * the public and press may be excluded from the meeting).	
6	Declarations of Interest.	
7	Minutes of the Authority meeting held on 21 March 2013	1 - 6
8	Work Programme	7 - 8
9	Section 41 Feedback from District Councils	
10	Board Chairs' Reports	Verbal Report
11	Quarter 4 Performance Snapshot Report	9 - 14

	<b>Item</b>	<b>Page</b>
12	Corporate Planning and Governance Board - Audit Committee Functions Annual Report 2012/13	15 - 28
13	Annual Review of Risk Management Policy and the Corporate Risk Register	To Follow
14	LGPS 2014 Update	29 - 38
15	Report on Government Proposals and Consultation for Continuing Councillor Membership of the LGPS	39 - 42
16	South Yorkshire Pension Fund Annual General Meeting 2013	43 - 52
17	Webcasting	53 - 56
18	Management Arrangements and Scheme of Delegation	To Follow
19	Members' Learning and Development: Pensions Fundamentals in-house Training Session	57 - 60
20	Minutes of the Investments Board held on 28 February 2013	61 - 68
21	Minutes of the Pensions Advisory Panel held on 16 April 2013	69 - 72
22	Minutes of the Corporate Planning and Governance Board held on 16 May 2013	73 - 80
23	<b><u>Exclusion of Public and Press</u></b>	
*24	Release of Preserved Benefit - Compassionate Grounds <b>(Exemption Paragraph 1)</b>	81 - 88
*25	Release of Preserved Benefit - Compassionate Grounds <b>(Exemption Paragraph 1)</b>	89 - 98

## SOUTH YORKSHIRE PENSIONS AUTHORITY

21 MARCH 2013

PRESENT: Councillor M Lawton (Chair)  
Councillor R Wraith (Vice-Chair)  
Councillors: E Butler, B Ford, K Goulty, B Lodge, 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 D Baker and C McGuinness

1 APOLOGIES

Apologies were noted as above.

2 ANNOUNCEMENTS

None.

3 URGENT ITEMS

None.

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

RESOLVED – That agenda item 18 entitled ‘Release of Preserved Benefits – Compassionate Grounds’ 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 17 JANUARY 2013

Councillor Lawton re-iterated that new Member induction training would be held at the conclusion of the Authority’s AGM, and would become a standing item after every AGM in future. Any new Members onto the Authority would be made aware of the training event prior to the day.

A schedule of meeting dates had been sent to the UCATT Senior Officer in relation to non-attendance at Authority meetings; UCATT had indicated they were looking into the matter further.

RESOLVED – That the minutes of the meeting of the Authority held on 17 January 2013 be signed as a correct record.

7 MINUTES OF THE PENSIONS ADVISORY PANEL HELD ON 22 JANUARY 2013

Councillor Lawton commented that any expressions of interest from pensioners and deferred members wanting to become Member representatives on the Panel would be welcomed.

RESOLVED – That the minutes of the Pensions Advisory Panel held on 22 January 2013 be noted.

8 WORK PROGRAMME

The Authority considered its Work Programme to 13 June 2013. It was agreed that a report on potential changes to the existing SLAs with the district councils be brought to a future Authority meeting.

Members requested that the future meeting schedule, once agreed, be sent onto the district councils to limit as much as possible any potential clashes. S Pick added this would be sent via email and Authority Members would be copied into it.

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

9 SECTION 41 FEEDBACK FROM DISTRICT COUNCILS

None.

10 QUARTER 3 PERFORMANCE SNAPSHOT REPORT

The Head of Pensions Administration gave an update on the Quarter 3 Performance Snapshot Report 2012/13.

During the quarter the Authority had processed 13,835 cases, of which 99.8% were on target; performance was down 0.1% on the previous quarter, but 1831 more cases had been processed. There had been 1 new starter and 1 leaver during the quarter; the running total for 2012/13 was 3 leavers and 1 new starter. Staff training was up to date on all aspects of the training plan. There had been 12 new employers registered for EPIC, and 408 new members had registered for MyPension. It was disappointing during the quarter that 65% of registered employers who submitted information did so via EPIC; work was underway to establish why and to attempt to change the trend. Members agreed a deadline of 6 months be set, for forms to then be completed online.

Attendance at the Employers Forum was up 6% compared to 2011; but attendance at the Scheme Members Annual Meeting in Barnsley, was down 43% compared to 2011. Historically, Barnsley was the least well attended Members' meeting but this year it was particularly disappointing. Concerns had been raised about aspects of the venue

and an alternative location would be sought next time the event was held in Barnsley. This year the venue was Sheffield.

There were 275 participating employers at the end of 2012 of which 214 had active members; due to the number of upcoming academies this was expected to rise to over 250 within the next few months.

11 TREASURY MANAGEMENT STRATEGY STATEMENT 2013/14

A report of the Clerk and Treasurer was submitted to seek Members' approval of the treasury management procedures and strategy to be followed by the Authority during the forthcoming year.

The customised benchmark allocation for cash had changed from 0% to 1.5% during the current year, but the tactical range of 0% to 10% had not changed. The decision stemmed from the Investment Board having agreed to introduce currency hedging, which required considerable cash sums to meet rollover obligations.

Members noted that should some of the circumstances affecting the other South Yorkshire joint authorities' usage of the Co-operative Bank plc for retailing bank purposes change then it was likely that this Authority would need to review its own usage of those services.

RESOLVED – That Members agreed to:-

- i) Adopt the Annual Investment Strategy and recommendations, including limits regarding credit ratings and deposit sizes, set out in Appendix I to the report.
- ii) Approve an Affordable Borrowing Limit in accordance with Section 3(1) of the Local Government Act 2003, on a rolling basis for the forthcoming year and two successive years as outlined in Appendix II of the report, of £250,000 being the maximum amount the Authority could afford to borrow.
- iii) Keep the above under review.

12 REVIEW OF FUNDING STRATEGY STATEMENT

A report of the Head of Pensions Administration was submitted to seek confirmation of changes to the Funding Strategy Statement (FSS).

Following a recent review of the FSS one amendment to the customised benchmark was required, to be implemented from 1 January 2013. A major review would be carried out later in the year, to take into account the results of the 2013 valuation and implementation of the LGPS 2014 scheme.

RESOLVED – That Members approved the Funding Strategy Statement.

13 BOARD CHAIRS' REPORT

Councillor Lawton had recently attended a LAPFF meeting on infrastructure funding, which had been attended by a number of authorities. Councillor Lawton would circulate the minutes onto Members once they became available.

14 LGPS 2014: UPDATE

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

Members recalled that 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; a further draft had now been promised before the Easter break. In addition the first draft of transitional regulations, government issues and regulations, and councillors consulted on their exclusion from the Scheme were also expected. G Chapman had been informed at a recent CLG meeting that there would be shorter consultation for the second draft, and the actual regulations would not be in place until summer. Discussions had been on-going between trades unions, the Employers Organisation and CLG regarding the content of the regulations. Members felt new Councillors should be made aware of the pension scheme and its benefits.

RESOLVED – That the update be noted.

15 REPORT ON THE CURRENT POSITION OF THE ADDITIONAL VOLUNTARY CONTRIBUTION FACILITY OFFERED BY THE AUTHORITY

A report of the Clerk and Treasurer was submitted to provide Members with updated information on the AVC facility(s) offered to Fund members.

The Authority had last received a report in March 2012. Over the twelve month period there had been no regulatory changes affecting AVCs.

RESOLVED – That Members:-

- i) Noted the contents of the report.
- ii) Agreed to continue to receive a regular annual update in future.

16 MEETINGS OF THE AUTHORITY AND BOARDS 2013/14

A report of the Clerk and Treasurer was submitted to consider the Authority and Board Meetings during 2013/14.

RESOLVED – That the Authority approved the following meeting cycle for 2013/14:-

<b>Pensions Authority</b>	<b>Corporate Planning and Governance Board</b>	<b>Investment Board</b>	<b>Pensions Advisory Panel</b>
<b><u>2013</u></b>			
20 June (AGM)	27 June		11 June*
	29 July		
		19 September	
10 October			1 October



21 November	14 November		
		12 December	
<b><u>2014</u></b>			
16 January			21 January
20 March	20 March	13 March	
			15 April
		22 May	
12 June (AGM)	19 June		
			8 July

\* Meeting date already approved

17 **MEMBER LEARNING AND DEVELOPMENT: EXTERNAL CONFERENCES AND SEMINARS**

A report of the Clerk and Treasurer was submitted to alert Members to the forthcoming LGPS Annual Trustees Conference 'Looking Ahead to 2014 and What That May Bring' on 27 and 28 June 2013 at the Hilton Hotel, Sheffield. The conference would consist of its usual lunchtime to lunchtime format, and day delegate rates had been agreed. The programme would be circulated onto Members as soon as it became available. Members were advised to contact Gill Garrety or Rhona Bywater if they were interested in attending.

New Member induction training would take place shortly after the AGM depending on Member availability.

Discussions were underway with Investec regarding the preparation of a bespoke one day refresher training course, based upon the LGE Fundamentals three day programme for Members and Advisory Panel Members. This was planned for September 2013. Members from other districts and further afield would also be invited. A report would be brought to the 20 June 2013 Authority meeting.

RESOLVED – That:-

- i) Councillor Lawton expressed an interest in attending the LGPS Annual Trustees Conference on 27 and 28 June 2013.
- ii) A report would be brought to the 20 June 2013 Authority meeting, regarding the one day refresher training course.

18 **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.

19 **RELEASE OF PRESERVED BENEFITS - COMPASSIONATE GROUNDS**

A report of the Head of Pensions Administration was submitted to seek a decision from Members in relation to a request from an ex-South Yorkshire County Council employee for the release of preserved benefits on compassionate grounds.

RESOLVED – That Members agreed to the release of preserved benefits on compassionate grounds.

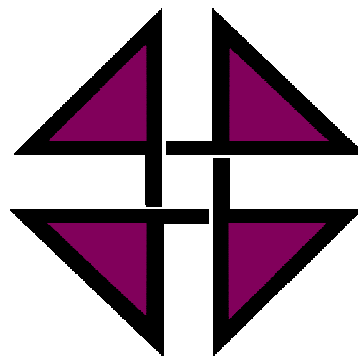
CHAIR

## South Yorkshire Pensions Authority – cycle of future meetings

### Authority Meetings

<b>Agendas</b>	<b>21 March 2013</b>	<b>20 June 2013 AGM</b>	<b>20 June 2013 Ordinary Meeting</b>	<b>10 October 2013</b>
<b>Strategic Overview of Business</b>	Meeting Overview & Context		Meeting Overview & Context	Meeting Overview & Context
	S41 Feedback		S41 Feedback	S41 Feedback
<b>Board Scrutiny</b>	Call-Ins		Call-Ins	Call-Ins
<b>Review of Strategies</b>	Qtr 3 Performance Snapshot Report		Qtr 4 Performance Snapshot Report	Qtr 1 Performance Snapshot Report
	Treasury Management Strategy Annual Report		CPGB Audit Committee Functions Annual Report	
	Review of Funding Strategy Statement		Annual Review of Risk Management Policy & the Corporate Risk Register	
<b>Business</b>	Board Chairs' Reports	Appointment of Chair and Vice Chair	Board Chairs' Reports	Board Chairs' Reports
	LGPS Reform Proposals Update	Membership of the Authority	LGPS Reform Proposals Update	LGPS Reform Proposals Update

<b>Business</b>	<b>21 March 2013</b>	<b>20 June 2013 AGM</b>	<b>20 June 2013 Ordinary Meeting</b>	<b>10 October 2013</b>
	AVC's Annual Review	Appointment of Boards and Committees	Report on Government Proposals and Consultation for Continuing Councillor Membership of the LGPS	
			SYPF Annual General Meeting	
	Meeting Cycle Dates	Questions in Meetings of District Councils	Management Arrangements and Scheme of Delegation	FoIA Annual Report
			Webcasting	FoIA Publication Scheme
			Loyal Service Award Scheme - Presentation	Employer Discretion
			Early Release of Preserved Benefits	Service Level Agreements
<b>Training &amp; Development</b>	Training Session Service Level Agreements		Members' Learning and Development: Pension Fundamentals in-house Training Session	



## **SOUTH YORKSHIRE PENSIONS AUTHORITY**

Business Planning and  
Performance Framework 2012/13  
for the Pensions Service  
and Pensions Authority

**Performance Snapshot Report  
2012/13: Q4**

**ISSUED: June 2013**

## The strategic framework in outline

Pensions Service Strategic Objectives	Area of Impact
1: The Best	1.1: Engaging with all our partners, including employers, to ensure that we understand and meet their agreed needs 1.2: Providing an accurate and timely service to all customers 1.3: Gaining and retaining external recognition through quality standards awards such as Charter Mark and Customer Service Excellence 1.4: Ensuring that we continue to provide Value for Money
2: Investment returns	2.1: Monitoring performance against the adopted benchmark and targets
3: Responsible Investment	3.1: Developing and implementing a responsible investment policy that is compatible with the fiduciary duties of the Fund 3.2: Adopting a voting strategy and guidelines specific to the Fund's requirements and ensuring that it is regularly reviewed in accordance with industry best practice
4: Valuing our Employees	4.1: Maintaining a competent, valued and motivated workforce. 4.2: Encouraging personal development to improve knowledge, skills and effectiveness.
5: Pensions Planning	5.1: Providing information through written material to all customers 5.2: Developing interactive website facilities 5.3: Encouraging attendance at annual events to provide forums for discussion 5.4: Maintaining an "on-site" presence to address personal concerns
6: Effective and Transparent Corporate Governance	6.1: Clarifying functions and roles towards delivering a common purpose 6.2: Promoting good governance through upholding high standards of conduct and behaviour 6.3: Developing the capacity and capability of members and officers to be effective 6.4: Ensuring robust accountability

*Snapshot performance results for each Strategic Objective and Area of Impact appear on the following pages*

## Pensions Service Strategic Objectives

### 1. The Best

Area under Review	Activity During Quarter	Target	Status/Comment
<b>Consultation Strategy</b>	Annual Pension Forecast	100% on Schedule	High level of satisfaction recorded
<b>Transactions with Members</b>	15207 cases of which 99.9% on target	97%	Performance 0.1% up on previous quarter and 1372 more cases processed

### 2. Investment Returns

Area under Review		Target	Status/Comment
<b>Fund Value</b>	£5258.6m	N/A	£4892.4m at end Dec
<b>Performance Against Benchmarks</b>	Qtr 7.6% YTD 13.6%	Qtr 7.9% YTD 13.0%	Global equity markets continued their rally. Stock selection added value over the year.

### 3. Responsible Investment

Area under Review	Activity During Quarter	Target	Status/Comment
<b>Responsible Investment</b>	Initial report on review of RI policy reported in February.	-	Ongoing

#### 4. Valuing Our Employees

Area under Review	Activity During Quarter	Target	Status/Comment
<b>Staff Turnover</b>	1 leaver 0 New Starters	Annual 4.25%	Annual total for 2012/3 is 7 leavers* 1 new starter  *4 transfers to JSec, 1 redundancy, 1 end of temp contract and 1 death in service.
<b>Staff Training</b>	<ul style="list-style-type: none"> <li>- Understanding Pensions on Death</li> <li>- Understanding Pensions on Divorce</li> <li>- Pensions Training on GMP's</li> <li>- Auto Enrolment Workshop</li> <li>- New starter induction</li> <li>- SharePoint</li> <li>- First Aid</li> </ul>	Plan 100% up to date	On target

#### 5. Pensions Planning

Area under Review	Activity During Quarter	Target	Status/Comment
<b>Interactive Facilities</b>	10 new employers registered for EPIC  62% of registered employers who submitted information did so via EPIC	N/A	183 employers (87%) now registered for EPIC up 3% on last quarter.  Cut-off date for paper forms being targeted for the end of the year.



	225 new members registered for MyPension		12131 Members now registered in total.
<b>Annual Meetings</b>	None Held		n/a
<b>Face to Face Communication</b>	704 Advisory Sessions Held	Less than 0.5% complaints	No complaints received. Numbers seen up 167 on previous quarter.
<b>Employer Activity</b>	4 New Employers (All Academies )  No Employer Terminations	N/A	At the end of March 2013 we had 289 participating employers of which 227 had active members. and there are a further 49 in the pipeline.

## **Pensions Authority Strategic Objectives**

### 6. Effective & Transparent Corporate Governance

<b>Area under Review</b>	<b>Activity During Quarter</b>	<b>Target</b>	<b>Status/Comment</b>
<b>Internal Audit Annual and Quarterly Reports</b>	March – Quarterly Progress Report reviewed by CP&GB	100%	On target
<b>External Audit Reports /Plans</b>	March – External Audit Plan considered by CP&GB	100%	On target
<b>Risk Management Annual and Quarterly Reports</b>	March - Risk Register considered by CP&GB	100%	On target

<b>Constitution Policy /Procedure Revision Dates</b>	No updates reported	100% Up to date	
<b>Financial Reporting</b>	Budget Monitoring report – Quarter 3 considered by CP&GB	100% achievement of reporting schedule	On target.
<b>Annual Governance Statement Conclusion</b>		No Significant Weaknesses	Accuracy of pay and contributions identified. Action continuing.
<b>Annual Self-Assessment</b>	March – Self-assessment compliance with Myners Principles considered by the Authority		
<b>Member Training</b>	<p>January – 8 Members attended PIRC presentation.</p> <p>February – 6 Members attended Fixed Interest Training.</p> <p>March – 5 Members attended Pensions Forecast Training.</p> <p>March – 1 Member attended Read Faster Workshop.</p>	<p>100% Induction &amp; Fundamentals Training &amp; Fundamentals Refresher</p>	<p>85% had induction.</p> <p>100% had Fundamentals Day 1.</p> <p>100% had Fundamentals Day 2.</p> <p>92% had Fundamentals Day 3.</p> <p>85% had Fundamentals refresher.</p>

## SOUTH YORKSHIRE PENSIONS AUTHORITY

20 JUNE 2013

### Report of the Clerk and Treasurer

## CORPORATE PLANNING AND GOVERNANCE BOARD – AUDIT COMMITTEE FUNCTIONS ANNUAL REPORT 2012/13

### 1. Purpose of the Report

The Annual Report of the Corporate Planning and Governance Board's work during 2012/13 is submitted for Members consideration.

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### 2. Recommendations

Members are recommended to:

- a) consider the Annual report for 2012/13; and
  - b) Note that it has been published on the Authority's website.
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### 3. Background Information

- 3.1 Good practice guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) recommends that audit committees should produce an annual report for consideration by its "governing body" i.e. the full Authority.
- 3.2 The Corporate Planning and Governance Board considered the draft Annual Report for 2012/13 at its meeting held on 16 May 2013. The report attached is the final version for consideration by the full Authority.
- 3.3 In previous years the Corporate Planning and Governance Board has considered its standing in relation to the best practice guidance for audit committees issued by CIPFA. The self-assessment checklist issued by CIPFA has more than 60 questions. These are organised under the 6 main areas of:
  - establishment, operation and duties;
  - internal control;
  - financial reporting and regulatory matters;
  - internal audit;
  - external audit; and

- administration.

The assessment conducted in 2010 established that the Board met most of the good practice criteria with only a small number of issues assessed as not complying and some as not applicable. Save in relation to Member training these remain as in 2010 but they are not material issues. In relation to Member training and assessment improvements have been made since 2010.

- 3.4 The self–assessment checklist will be reviewed in detail in 2013. If any Member requires a copy of the 2010 self–assessment this can be obtained from the Monitoring Officer.

#### **4. Implications and risks**

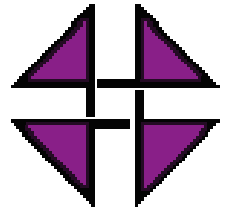
- 4.1 There are no financial, legal, risk management or diversity issues associated with the report.

**S Pick**  
**Clerk and Treasurer**

**Officer responsible:** Maureen Oades, Deputy Clerk and Solicitor  
South Yorkshire Joint Secretariat  
01226 772856: [mvoades@syjs.gov.uk](mailto:mvoades@syjs.gov.uk)

**Background papers** used in the preparation of this report are available for inspection at the offices of the Authority in Barnsley.

**Other sources and references:** The Board's agenda papers and minutes.



**SOUTH YORKSHIRE  
PENSIONS  
AUTHORITY**

**CORPORATE PLANNING AND  
GOVERNANCE BOARD**

**AUDIT COMMITTEE FUNCTION**

**ANNUAL REPORT 2012/13**

**Draft for agreement by the Corporate Planning and Governance Board on  
16 May 2013**

**Final version to be presented to the full Authority on 20 June 2013**



## **Foreword**

I am pleased to present the Committee's annual report for the period 2012/13 which provides evidence of the arrangements the Authority has in place to monitor, challenge and hold to account those responsible for managing its governance arrangements and the production and approval of its Annual Governance Statement.

Richard Wraith  
Chair  
Corporate Planning and Governance Board

## AUDIT COMMITTEE ANNUAL REPORT 2012/13

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## **1. INTRODUCTION**

This report is prepared for the full Authority and covers the Board's work during the financial year 2012/13 in relation to its audit committee function. It outlines the Board's:

- Role and responsibilities;
- Membership and attendance; and
- Achievements.

## **2. BOARD INFORMATION**

### **Audit Committee Role and Responsibilities**

The Board provides an overview role on all aspects of governance and achieves this by:

- providing a forum for monitoring governance arrangements;
- receiving and discussing monitoring reports from internal and external sources; and
- making recommendations to the Authority for action to address any deficiencies.

The Board performs the core audit committee functions recommended as good practice by the Chartered Institute of Public Finance and Accountancy (CIPFA). These functions are included in the Boards terms of reference which are attached at Appendix 1. Its achievements are considered in Section 3 below.

### **Board Membership (6 members)**

The Board's membership at the end of March 2013 was:

Councillor R Wraith (Chair)  
Councillor D Baker  
Councillor E Butler  
Councillor B Ford  
Councillor M Lawton (Vice-Chair)  
Councillor L Rooney  
Councillor P Wootton

Membership changes occurring during the year were as follows:

- Councillor D Barker ceased to be a member in May 2012 and was replaced by Councillor L Rooney from the 17 May 2012.
- Councillor M Lawton was appointed as Vice-Chair to the Committee on 26 July 2012.

### **Board Meetings and Attendance**

The Board held four meetings in the year (May 2012, July 2012, November 2012 and March 2013). The business conducted was in accordance with the work programme which was reviewed at each meeting.

The schedule of Members' and Officers' attendance is attached as Appendix 2. The good practice guidance suggests that the Chief Financial Officer should attend regularly, and that the Monitoring Officer and other senior officers should contribute as appropriate. The actual attendance recorded demonstrates that this was achieved.

### **3. COMMITTEE WORK PROGRAMME AND OUTCOMES**

The Board maintains a work programme for its main areas of activity which is considered at each meeting. The reports received during 2012-13 relating to its audit committee functions are shown in Appendix 3; the outcomes of the Board's work in relation to these are summarised below. The "boxed" bullet points in *italics* are the core functions from the CIPFA guidance; the details below each box identify how the Board has achieved its responsibilities.

#### **3.1 Risk Management and Internal Control**

- *Considering the effectiveness of the Authority's risk management arrangements, the control environment and associated anti-fraud and corruption arrangements.*
- *Seeking assurances that action is being taken on risk-related issues identified by auditors and inspectors.*
- *Being satisfied that the Authority's assurance statements, including the Annual Governance Statement properly reflect the risk environment and any actions required to improve it.*

#### **The Board has:**

- Considered regular reports on the corporate risk register and considered the movements in individual risks and their categorisation;
- Received progress reports from the Head of Internal Audit on internal and external audit issues;
- Considered the results of the review of internal control and internal audit for 2011/12;
- Approved, the Annual Governance Statement 2011/12 including the improvements required in 2012/13;
- Received regular update reports on the Authority's treasury management position;
- Received regular Budget Monitoring reports.

#### **3.2 Internal Audit and External Audit**

- *Approving (but not directing) Internal Audit's strategy and plan, and monitoring performance.*
- *Reviewing summary Internal Audit reports and the main issues arising, and*

*seeking assurance that action has been taken where necessary.*

- *Receiving the annual report of the head of Internal Audit.*
- *Considering the reports of external audit and inspection agencies.*
- *Ensuring that there are effective relationships between Internal Audit and external audit, inspection agencies and other relevant bodies, and that the value of the process is actively promoted.*

### **Internal Audit:**

The Board has:

- Agreed the Internal Audit Strategy and Annual Plan for 2012/13;
- Received and considered Head of Internal Audit's Annual Report for 2011/12, including the opinion on the Authority's internal control arrangements;
- Received and considered regular reports from the Head of Internal Audit on the Internal Audit Team's progress against the annual plan, including summaries of the reports issued and management's response.

### **Audit Commission (subsequently KPMG) (see also Accounts below):**

The Board has:

- Received reports from the Audit Commission and/or KPMG on their Audit Plans for the Authority;
- Received regular progress reports from the Audit Commission/KPMG
- Approved the KPMG's fee for the financial year 2012/13.

### **3.3 Accounts**

- *Reviewing the financial statements, the external auditor's opinion and reports to members, and monitoring management action in response to the issues raised by external audit.*
- *Overseeing the production of, and approving, the Authority's Annual Governance Statement.*
- *Overseeing the production of, and approving, the Authority's Annual Statement of Accounts, focussing on:*
  - *the suitability of, and any changes in, accounting policies;*
  - *major judgemental issues e.g. provisions.*
- *Receiving and agreeing the response to the external auditor's report to those charged with governance on issues arising from the audit of the accounts, focussing on significant adjustments and material weaknesses in internal control reported by the external auditor.*

The Board has:

- Overseen the production of, and approved the Authority's Annual Governance Statement 2011-12;
- Reviewed and approved the Authority's Statement of Accounts 2011/12;

- Received and approved the Audit Commission's Annual Governance Report 2011/12 and agreed the responses to the recommendations made.

### **3.4 Working Arrangements**

Members considered and agreed the Board's Annual Report for 2011/12 which was presented to the full Authority and published on the Authority's website.

The Board revisited the self-assessment of its position against the best practice guidance and considered the extent to which its arrangements remained robust.

**CORPORATE PLANNING & GOVERNANCE BOARD**

**TERMS OF REFERENCE (extract)**

- 6) Carrying out the following core audit committee functions:
- a. Consider the effectiveness of the Authority's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.
  - b. Seek assurances that action is being taken on risk-related issues identified by auditors and inspectors.
  - c. Be satisfied that the authority's assurance statements, including the Statement on Internal Control, properly reflect the risk environment and any actions required to improve it.
  - d. Approve (but not direct) internal audit's strategy and plan.
  - e. Monitor performance against Internal Audit's strategy and plan.
  - f. Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
  - g. Receive the annual report of the Head of Internal Audit.
  - h. Consider the reports of external audit and inspection agencies.
  - i. Ensure that there are effective relationships between internal audit and external audit, inspection agencies and other relevant bodies, and that the value of the process is actively promoted.
  - j. Review financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.
  - k. To oversee production of, and approve, the Authority's Annual Governance Statement.
  - l. To review and approve the annual Statement of accounts, focussing on the suitability of, and any changes in, accounting policies; and major judgemental issues e.g. provisions.
  - m. To receive and agree the response to the external auditor's report to those charged with governance on issues arising from the audit of the accounts, focussing on significant adjustments and material weaknesses in internal control reported by the external auditor.

APPENDIX 2

MEMBER/OFFICER ATTENDANCE AT AUDIT COMMITTEE MEETINGS

Member / Officer	May 2012	July 2012	Nov 2012	March 2013
<b>Members</b>				
Councillor R Wraith (Chair)	✓	✓	✓	✓
Councillor D Baker	✓	✓	✓	r/a
Councillor E Butler	✓	r/a	✓	✓
Councillor R Ford	r/a	✓	✓	✓
Councillor L Rooney		✓	✓	r/a
Councillor P Wootton	✓	✓	✓	✓
Councillor M Lawton (Vice-Chair w.e.f. 26 July 2012)	o	✓	✓	r/a
<b>Representative Bodies</b>				
Unison – G Boyington	✓	✓	✓	✓
GMB – G Warwick	✓	✓	✓	✓
UCATT – J Coombs				
<b>Officers</b>				
Clerk and Treasurer (WJW)	✓			
Clerk & Treasurer (SP)			✓	r/a
Deputy Clerk & Solicitor (MVO)	✓	✓	r/a	✓
Head of Internal Audit (RW)	✓		✓	✓
Audit Manager (MW)	✓	✓	r/a	✓
Member Services Representative	✓	✓	✓	✓
Fund Director (JNH)	✓	✓	✓	✓
Head of Finance (BC)		✓	✓	r/a
Head of Pensions Admin (GC)	✓	✓	✓	✓
<b>Audit Commission/KPMG</b>				
District Auditor (Audit Commission)	✓	✓		
District Auditor (KPMG)			✓	r/a
Audit Manager (Audit Commission)	r/a	✓		
Audit Manager (KPMG)			✓	✓

Notes:

- Shaded cells = membership not current at the time of the meeting
- ✓ = attended
- r/a = apologies for absence recorded
- o = observer

## BOARD ACTIVITY – AUDIT COMMITTEE FUNCTION

Function / Issue	May 2012	July 2012	Nov. 2012	Mar. 2013
<b>Risk Management</b>				
Risk Register	Noted	Noted	Noted	Noted
<b>Governance and Internal Control</b>				
Review of Internal Control 2011/12			Agreed	
Annual Governance Statement (AGS) 2011/12	Approved			
AGS Improvements Action Plan 2012/13	Agreed			
Treasury Management Update	Noted		Noted	
<b>Internal Audit</b>				
Audit Strategy & Plan 2013/14				
Outstanding Recommendations	Noted	Noted	Noted	Noted
Annual Report 2011/12	Noted			
Progress Report	Noted	Noted	Noted	Noted
<b>External Audit</b>				
Audit Fee 2012/13			Approved	
Annual Audit Letter	Noted			
VFM Conclusion 2011/12	Noted			
External Audit Plan 2012/13				Noted
<b>Accounts</b>				
Audited Statement of Accounts 2010/11		Approved		
Annual Governance Report 2011/12		Noted		
Letter of Representation		Approved		
Budget Monitoring 2011/12	Noted	Noted	Noted	Noted
<b>Board Working Arrangements</b>				
Work Programme	Noted		Noted	Noted
Annual Report 2011/12			Noted	

(The term "Noted" is used to include resolutions to note and to receive reports).

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## **SOUTH YORKSHIRE PENSIONS AUTHORITY**

**20<sup>th</sup> June 2013**

### **LGPS 2014 Update**

#### **1. Purpose of the Report**

To update Members on the responses to consultation on draft regulations in respect of LGPS 2014

---

#### **2. Recommendations**

**Members are requested to note the contents of the report.**

---

#### **3. Background Information**

The Department for Communities and Local Government (DCLG) is consulting on the new regulations required to implement a new Local Government Pension Scheme from 1<sup>st</sup> April 2014. Following on from an informal consultation last summer and the first set of draft regulations at the end of the year, two new sets of draft regulations were issued with responses due by 3<sup>rd</sup> May and 24<sup>th</sup> May.

#### **4. Consultation Responses**

The first set of regulations are concerned with tidying up errors and omissions from the first draft last year whilst the second set deal with the complex mechanism for dealing with existing members and their rights under both the old and the new scheme. Neither set are the finished article and our responses to both are attached to this report for information.

#### **5. Implications**

- **Financial** - None
- **Legal** - None
- **Diversity** - None

**Gary Chapman**  
**Head of Pensions Administration**  
Phone 01226 772954  
E-mail: gchapman@sypa.org.uk

**Background papers** used in the preparation of this report are available for inspection in the Pensions Administration Unit.

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SOUTH YORKSHIRE  
PENSIONS AUTHORITY

LGPS Regulations 2013  
Department for Communities and Local Government  
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London  
SW1E 5DU

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Your ref:  
Direct Line: (01226) 772954  
Fax: (01226) 772938  
E-mail: gchapman@sypa.org.uk  
Date: 24<sup>th</sup> May 2013

Dear Mr Perry

### **Draft LGPS (Transitional Provisions and Savings) Regulations 2013**

I am responding on behalf of the Pensions Authority to the request for comments on this latest set of draft regulations.

#### **General Application**

The Corporate Planning and Governance Board met on 16<sup>th</sup> May and considered the draft regulations and have asked me to respond on their behalf on a couple of policy issues.

#### Statutory Underpin

The Board does not agree with the apparent shift in policy with regard to the statutory underpin. The draft regulations appear to restrict the application of the underpin to relevant members who retire on their 65<sup>th</sup> birthday. The Board think that in order to accurately reflect the Government statement on this issue the underpin should apply to all members age 55 or over on 1<sup>st</sup> April 2012 who leave or retire on or after 1<sup>st</sup> April 2014 regardless of their age or reason for leaving.

#### Rule of 85

The Board accepts that there should be no cost to the pension fund in allowing members to voluntarily retire before their normal pension age. However, removing all 'rule of 85' protections on pre-2008 membership for members voluntarily retiring before age sixty is considered to be excessive and indirectly putting applicable members in a worse position than they are now.

Currently any costs associated with an early retirement for a member with 'rule of 85' protections are borne by the employer and there are no provisions to pass them on to the member. Whilst these provisions successfully and quite rightly transfer the cost to the member the proposal recovers far more than required. For example a member retiring at age 58 having already met the 'rule of 85' would currently generate a fund strain cost based on drawing benefits 2 years early whereas under these proposals the member would see a reduction in pre-2008 benefits based on drawing benefits at least 7 years early. The Board would like this to be reconsidered.

18 Regent Street · Barnsley · South Yorkshire S70 2HG



## Technical Application

There are a significant number of technical issues that require either amendment or further consideration. I have had sight of the submission made by the Local Government Association and support the comments and suggestions they have made.

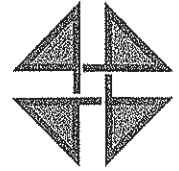
One important issue I would like to specifically comment upon concerns protected pensionable pay. My understanding was that benefits based on membership to 31<sup>st</sup> March 2014 would be calculated using the current definition of final pay and then added to the benefits calculated under the new scheme. Regulation 25 seems to introduce a 'greater of' scenario which could require pensionable pay under the 2014 scheme to be used in the calculation of all benefits. If this is intended it is over generous and would increase employer funding costs on past service liabilities. Our pension fund actuary has estimated that deficits could increase between £1bn-£2bn in total and it could severely affect some employers more than others depending on the working patterns of their employees. For these reasons I would like to see Regulation 25 amended to reflect the publicised original intention.

Yours sincerely



Gary Chapman  
Head of Pensions Administration





SOUTH YORKSHIRE  
PENSIONS AUTHORITY

LGPS Regulations 2013  
Department for Communities and Local Government  
Zone 5/G6  
Eland House  
Bressenden Place  
London  
SW1E 5DU

Our ref: Pen/GC  
Your ref:  
Direct Line: (01226) 772954  
Fax: (01226) 772938  
E-mail: gchapman@sypa.org.uk  
Date: 3<sup>rd</sup> May 2013

Dear Mr Perry

### Draft LGPS Regulations 2013

I am responding on behalf of the Pensions Authority to the request for comments on the draft LGPS 2013 Regulations.

#### General Application

These regulations are largely technical amendments and clarification to the earlier consultation draft regulations and do not change the core contribution, membership and benefit structure which we commented upon last time. Our general support for the implementation of these regulations therefore remains.

#### Technical Application

It is acknowledged that this has been a major undertaking over a short period of time and we welcome the further opportunity to comment before the actual regulations are finalised. It is noted that comments made by respondents to the original consultation have been taken into account and with this in mind we submit the following comments for consideration.

##### Regulation 3 - Active Membership

For consistency with the Draft LGPS (Miscellaneous Amendments) Regulations 2013 which amend the current Administration Regulations and to ensure the employers are not potentially required to re-enrol some employees before the end of the transition period we suggest that the definition in schedule 1 for 'automatic enrolment' is amended to refer to Sections 4 & 30 of Pensions Act 2008.

We also think that the use of the words 'for those of its eligible jobholders who are not active member's of the Scheme' within the definition of automatic enrolment are contradictory to section 5(3) of Pensions Act 2008 as this refers to this only being necessary for those eligible jobholders who are **not** currently in **any** qualifying scheme. We think that the words 'for those of its eligible jobholders who are not active member's of the Scheme' can therefore be deleted.

18 Regent Street · Barnsley · South Yorkshire S70 2HG



[www.sypensions.org.uk](http://www.sypensions.org.uk)

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### Regulation 9 - Contributions

We believe that 9(1) does not adequately deal with the setting of a rate for a variable time member for whom the annual pensionable pay may not be known at the outset. Some other method such as fixed rate for variable time employees may be more appropriate.

### Regulation 10 – Temporary Reduction in Contributions

Regulation 10 (7) states that an employing authority of any member shall provide "...information about the effects on that member's likely benefits consequent to that election". Is it really the intention for an illustration to be provided by the employing authority to each member each time an election is made? We would suggest that it would be more practical to do this at each annual benefit statement

### Regulation 14 – Contributions During Trade Dispute Absence

Regulation 14(1) given the cost envelope for the scheme is currently 19.5% should we aim to get at least that when a member wishes to purchase a trade dispute absence. 16% seems to have little relevance to anything other than that's what it always been.

### Regulation 39 – Calculation of Ill Health Pension Amounts

In 3(a) the calculation of Tier 2 enhancement refers to 'adjusting the members active members pension account' There is no reference to a Tier 3 member who is granted uplift to Tier 2 who at the time may have a pensioner account or a deferred pensioner member account. Unless these terms are included there appears to be no facility to uplift the members benefits.

## **Outstanding Policy Issues**

Comments were invited on a number of policy issues still being considered before appearing in regulations.

### 1. Aggregation

The consultation paper asks for other forms of aggregation not otherwise mentioned. The aggregation of concurrent employments upon the termination of one of them needs to be considered. We also think that a deferred refund account must be aggregated with an active account.

### 2. Assumed Pensionable Pay (APP)

We understand the need for some protection for members but the options being considered are becoming impractical for employers to administer. Career average pay has to be right and the more complex this area becomes the opportunity for errors expands. On the grounds of both fairness to the member and relative simplicity, our recommendation would be for the third option; changing the calculation of APP to contractual pay at the date of event adjusted accordingly for non-contractual overtime either over the last 12 weeks or the previous scheme year.

### 3. Periods of reduced or unpaid absence

As above this has potential to get very complicated. A relatively simplified approach would be that where the member has a choice in the unpaid leave it should not be pensionable under any circumstances but where they do not have a choice it should count as pensionable. If a gap in



pensionable service emerges the member (or employer) should be given the opportunity to purchase ARCs.

#### 4. Revaluation

A key area that we are still attempting to fully understand. However our preference would be for a solution that did not require benefits to be recalculated after the event with additional payments including one off payments like transfer values.

#### 5. NPA/SPA Link

Linking the NPA definition to the State Pension Age as defined in overriding legislation (subject to a minimum of 65) within Schedule 4 to the Pension Act 1995, in our view, would achieve the desired result. This is consistent with the definition put forward in the Public Service Pensions Bill and we see no reason why this would need to change.

#### 6. Survivor Pensions

Cannot think of anything obviously missing.

#### 7. Employer contributions

Fundamentally, a facility should be included for employer contributions to be paid in respect of any event for which a benefit "cost" will be incurred, or where a decision has been taken to enhance member's benefits that is not covered by the normal scheme design. This could include an employer-funded MARC/MASARC. Any contributions required should be assessed having regard to actuarial advice in the normal way.

#### 8. Certificates of Protection

We suggest limiting this to reduced pay as a result of ill health where retirement actually occurs as a result of the same medical condition.

#### 9. Interest

No preference

#### 10. Pension Account Adjustments

We would support increasing the flexibility available, by including an enabling power to adjust an account owing to any non-specific reasonable circumstances. The Pension Account should have the ability to collect further contributions for any adjustment that carries as cost to the Fund.

#### 11. AVCs


Where AVCs are transferred from the LGPS in Scotland or Northern Ireland, we would support the transfer in to member's AVC pots and not in to their active accounts.

Being able to contribute more than 50% of salary into AVC's is unlikely to affect 99% of the membership and more likely to be high earners. As the facility is likely to be used to 'select' against the fund and take a greater income and less lump sum we think that the 50% limit should remain.

12. Pensions Increase

Our preference, for the purposes of clarity and good housekeeping within these regulations, would be for the Pensions (Increase) Act references to be carried forward into the new Local Government Pension Scheme Regulations 2013.

Yours sincerely

A handwritten signature in black ink that reads "Gary Chapman". The signature is written in a cursive, slightly slanted style.

Gary Chapman  
Head of Pensions Administration

## SOUTH YORKSHIRE PENSIONS AUTHORITY

20<sup>th</sup> June 2013

### Report on Government proposals and consultation for continuing Councillor Membership of the LGPS

#### 1. Purpose of the Report

To provide Members with information relating to Government proposals on continuing LGPS membership for Councillors from 1 April 2014 in order to allow Members the opportunity to discuss the proposals and to consider their response should they wish to make one.

---

#### 2. Recommendations

**Members are recommended to discuss the contents of the report and to formulate an appropriate response to Government through the formal consultation process**

---

#### 3. Background Information

3.1 As part of the Government's overall Public Sector Pensions' reform plans Ministers are seeking comments from interested parties on their proposals for continued access to the "Tax-Payer Funded" LGPS for Elected Members with effect from 1<sup>st</sup> April 2014.

3.2 There are three options upon which views are being sought. These are:

- **Option 1:** No access to the new Local Government Pension Scheme from April 2014 through being directly elected to local office. Thus, councillors; elected mayors; the Mayor of London and members of the London Assembly would be excluded from active Scheme membership – **this is the government's preferred position**;
- **Option 2:** Two-tier membership - continued access for 'front bench' councillors only. This option could include just elected mayors (including the Mayor of London) and elected leaders or could encompass all those with a special responsibility allowance (including members of the London Assembly) – the government would welcome views on which councillors and elected local office holders should be eligible if this option were to be pursued;
- **Option 3:** No change. Access to the taxpayer-funded Local Government Pension Scheme remains for all councillors and elected local office holders on the same basis as at present.

3.3 The Consultation Exercise closes on 5<sup>th</sup> July 2013.

#### **4. Contribution Rates for Membership beyond 31<sup>st</sup> March 2014**

- 4.1 Currently, Councillor Members of the Scheme pay a flat rate 6% contribution for their benefit package which is now out of line to some extent with the contributions required of ordinary members.
- 4.2 The Government is proposing that for any Councillors retaining access to the Scheme beyond 31<sup>st</sup> March 2014 should pay contributions upon a tiered tariff system based on the level of allowances received. The minimum contribution would be 6% rising in line with the allowance range detailed below.

<b>Pensionable allowance range</b>	<b>Contribution rate</b>
Up to £21,000	6%
£21,001 to £34,000	6.5%
£34,001 to £43,000	6.8%
£43,001 to £60,000	8.5%
£60,001 to £85,000	9.9%
£85,001 to £100,000	10.5%
£100,001 to £150,000	11.4%
£150,001 or more	12.5%

- 4.3 Members are asked whether they agree the proposed contribution rate changes and, if not, to suggest alternative rates for continued access.

#### **5. Government View**

- 5.1 The Government believes that, as a matter of principle, Councillors and other local elected office holders, (excluding Police and Crime Commissioners), should not have access to a "Tax-payer Funded" pension scheme designed for employees. The Government provide the following main reasons for their stance:
- Councillors are volunteers elected to represent the community
  - Councillors are not paid a salary or wage but receive allowances to cover out of pocket expenses
  - Allowances have slowly become a form of salary blurring the distinction between Elected Representatives and paid employees and as such are in danger of having a negative effect on local democracy.
  - Councillors have access to personal pension arrangements into which contributions from allowances could be paid.
- 5.2 The Government is aware that there is a body of support for the "full-time professionalisation" of Councillors and that this approach may give communities better, more informed, and dedicated representatives but is not convinced that the current rules on access to the LGPS have had any effect on the candidates putting themselves forward for election

## **6. Implications**

- **Financial** - Minor employer contributions costs for the District Councils given the numbers involved measured against the employers' contribution rates for the rest of the membership
- **Legal** - None
- **Diversity** - None

**Gary Chapman**  
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**Background papers** used in the preparation of this report are available for inspection in the Pensions Administration Unit.

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## **SOUTH YORKSHIRE PENSIONS AUTHORITY**

**20 June 2013**

### **South Yorkshire Pension Fund Annual General Meeting 2013**

#### **1. Purpose of the Report**

To advise members about the 2013 Annual General Meeting of the Fund.

---

#### **2. Recommendations**

**Members are recommended to note Thursday 10th October for this years AGM.**

---

#### **3. Information**

- 3.1 The 2013 Annual Fund Meeting will be held at The Source Skills Academy, Meadowhall Way, Sheffield at 5:30pm on 10<sup>th</sup> October (brochure attached).
- 3.2 Following the format of previous meetings the AGM will be held during the evening to attract the maximum attendance. A light buffet will be served after the meeting has concluded and transport for Fund members will be arranged to and from the meeting.
- 3.3 The style and format of the meeting will follow last year's event with more time being set for questions. We intend to put an invite in all three newsletters as well as asking members to write in with questions prior to the meeting.
- 3.4 Full details of the meeting will be forwarded to Members closer to the date.

#### **4. Implications and risks**

- Financial - There is a provision within this year's budget to hold the event
- Legal- There are no legal implications
- Diversity -There are no diversity implications

Officer responsible:-  
**Karen Roberts**  
**Communications Manager**  
Email: kroberts@sypa.org.uk  
Tel. No. 01226 772915

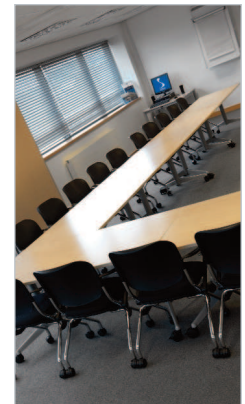
**Background papers** used in the preparation of this report are available for inspection in the Pensions Administration Unit.



# Let's meet

There's room for you

Conference, Event and  
Meeting Space Coordination





# Welcome to The Source

Spread over three locations, Meadowhall, Rotherham and Sheffield, The Source is your local conference centre. We are the preferred independent conference and meeting room provider in South Yorkshire. Our experienced professionals have years of know-how to assist your event planning and we ensure your delegates have a superb experience. Your dedicated conference team will be on hand to assist with your wishes throughout.

Our rooms vary in size from luxurious meeting rooms for six people to our lecture theatre seating up to 150 delegates. All rooms are fully flexible and suitable for a wide range of needs.

## Locations

Our Meadowhall facility opened in 2003 and we have come a long way since our launch. We have drawn on our experience and gone on to open two additional sites in Rotherham and Sheffield. Having a choice of venue locations across South Yorkshire makes the booking process as convenient as possible for our customers.

Our venues are located in both town centre and out of town settings. All are within a short walk of the local train and bus stations, with surface and multi-storey car parks close by.

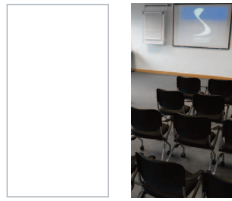
Meeting rooms are flexible and contemporary with a range of presentation aids for your convenience. Rooms lend themselves to training, meeting and informal layouts and Wi-Fi is available across all sites to support your events.



Great facilities  
(as per usual) and a special  
thanks to the ladies on  
the front desk who were  
very helpful & friendly!



National College for School Leadership



## A warm welcome at Meadowhall

With free on-site parking, our Meadowhall location is ideal. It has 19 meeting and presentation rooms seating 6 - 60 delegates. With Wi-Fi throughout, the rooms are versatile and have the capacity to seat delegates in a range of layouts to suit individual needs and requirements. Several rooms are separated with partition walls which can be opened with the room adjacent to make one large space. All rooms are light, spacious and fully air-conditioned. Lighting is remotely controlled to create the perfect atmosphere at the touch of a button. Rooms are fully equipped with up to date PCs and suspended video/data projectors.

Three small informal interview rooms are available that can accommodate up to eight delegates with comfortable seating and floor to ceiling windows.

Our Lecture Theatre offers modern, purpose built facilities with seating for up to 150 delegates. The flexible seating layout makes it ideal for all types of events, from formal corporate and public conferences, to product launches, exhibitions and informal events where minimal seating is required. It has built in projection facilities with surround sound and several options of microphones are available. It is complemented by a spacious exhibition area with dedicated bar, catering and cloakroom facilities.



Room	Boardroom	U Shape	Theatre	Cabaret	Classroom
1b, 1c	22	20	40	20	20
1b & 1c*	40	48	70	48	48
3, 5	20	16	35	20	20
4	6	n/a	n/a	n/a	n/a
10	10	n/a	16	n/a	n/a
11, 12, 13	12	10	16	12	12
11 & 12*	22	20	30	20	20
14, 17, 22	20	16	35	20	20
15, 16	18	16	30	16	16
15 & 16*	36	32	70	36	36
18	12	10	20	12	12
19, 20	18	16	30	16	16
19 & 20*	36	32	70	36	36
21	14	12	24	12	12
23, 24	6	n/a	n/a	n/a	n/a
Lecture Theatre	50	40	150	80	80

\* Adjoining rooms can be opened up to offer more flexible conferencing options.





## A warm welcome at... Rotherham

The Rotherham facility is located in the heart of the town centre, providing ideal access for local businesses and retailers. Three rooms are available for hire which offer superb meeting and training space. All rooms are versatile and have up to date laptops and suspended video/data projectors and smart boards. The Rotherham venue is perfect for smaller meetings and training sessions, interviews and one to ones. The rooms can be hired from as little as one hour and will seat up to 35 delegates.

Room	Boardroom	U Shape	Theatre	Cabaret	Classroom
R1	12	10	18	n/a	10
R2	8	8	14	n/a	8
R3	20	16	35	20	20

"Thank you for your help during and in the run up to our three day summit and for going the extra mile for us. You were all fabulous!"

Skills for Justice



## A warm welcome at... Sheffield

The Sheffield venue can be found in the heart of the city centre ideally located for local businesses and retailers. It has four flexible meeting rooms all of which have natural daylight and are suitable for training, meetings and informal sessions. Seating up to 60 delegates, additional breakout space is available. Video/data projectors and smart boards are built in and up to date laptops are provided for your convenience.

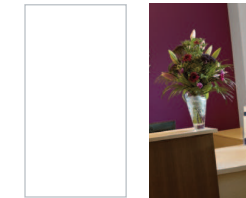
Our Cafe can be found on the ground floor where refreshments can be purchased giving organisers the flexibility should they not wish to purchase a food package as part of their booking.

Room	Boardroom	U Shape	Theatre	Cabaret	Classroom
S1	14	12	20	16	12
S2	16	14	30	16	16
S1 & S2*	30	26	60	36	30
S3	10	8	18	10	10
S4	10	8	n/a	n/a	10
S3 & S4	20	16	40	18	20

\* Adjoining rooms can be opened up to offer more flexible conferencing options.

"All of the workshop participants commented on the pleasantness of the room, the prompt and good quality catering and the helpfulness and efficiency of your staff."

Sheffield City Council





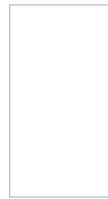
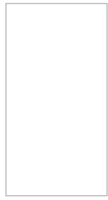
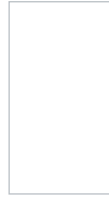
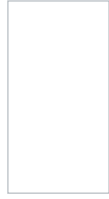
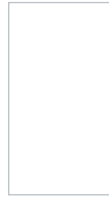
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Refreshments can also be purchased for conference delegates giving organisers the flexibility should they not wish to purchase a food packages as part of their booking.

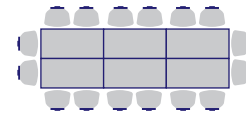
"Really enjoyed our use of The Source – easy to find and park, good light and clean meeting space, food was plentiful and tasty."

Badminton England

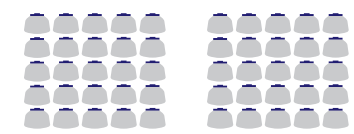


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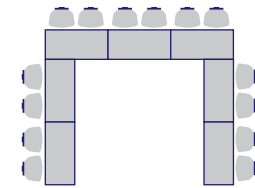
Boardroom



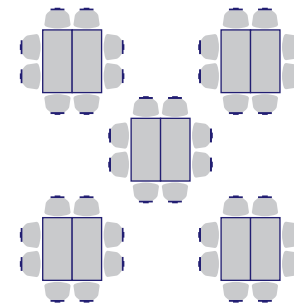
Theatre



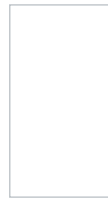
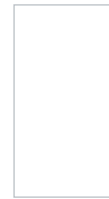
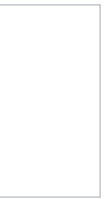
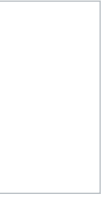
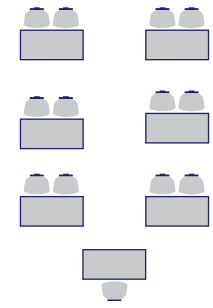
U-Shape / Horseshoe



Cabaret



Classroom





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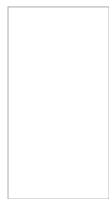
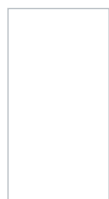
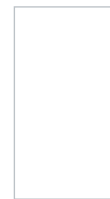
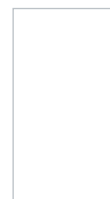
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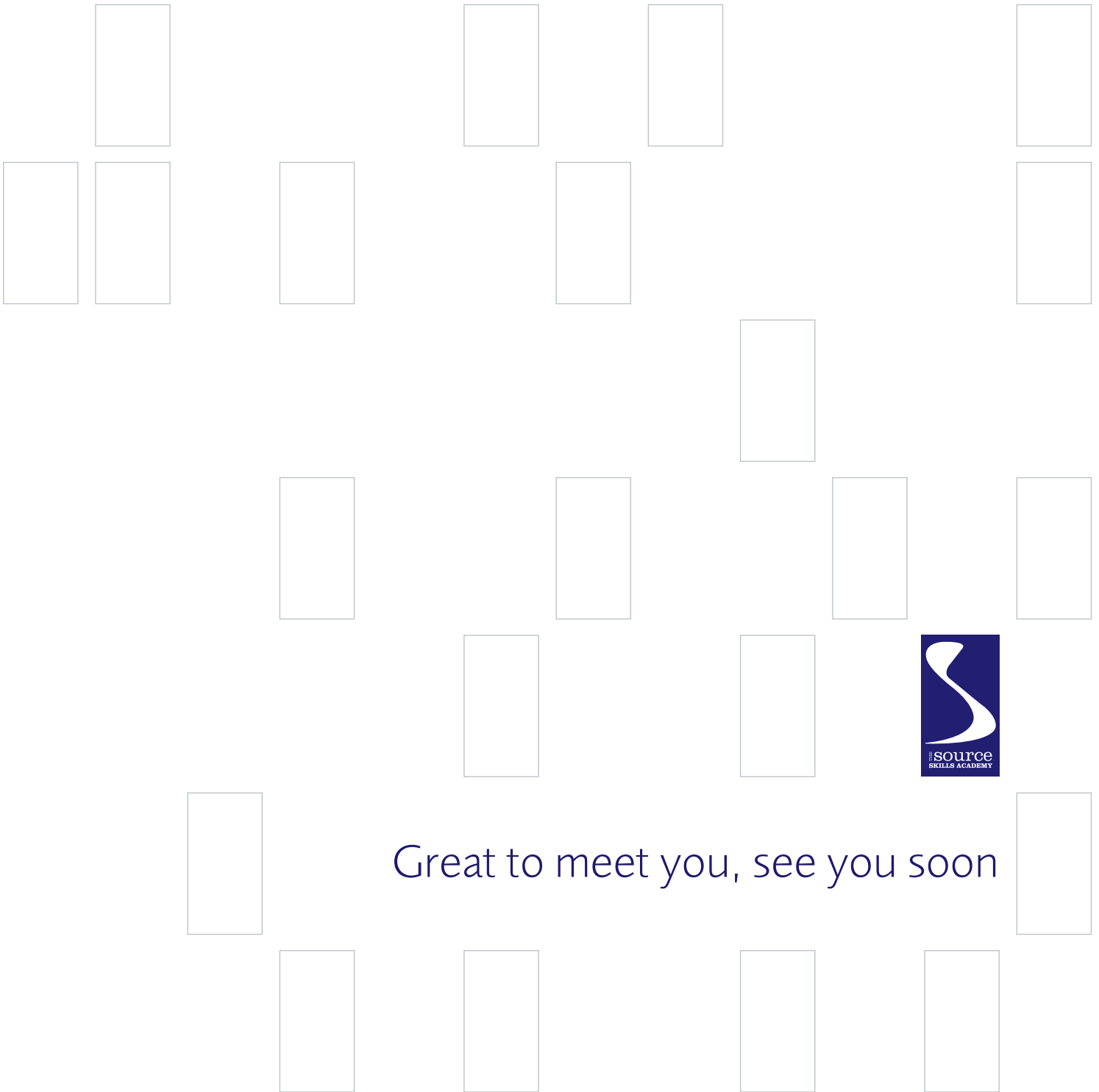
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Great to meet you, see you soon

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## SOUTH YORKSHIRE PENSIONS AUTHORITY

20 June 2013

### Report of the Clerk and Treasurer

## WEBCASTING

### 1. Purpose of the Report

To review the use of Webcasting to promote the Authority's decision-making

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### 2. Recommendations

**Members are recommended to:**

- a) **Renew Webcasting for a further year**
- 

### 3. Background Information

The current webcasting contract expires on 29 June 2013 and each of the Joint Authorities, and the Police and Crime Commissioner, are being asked to renew the contract for a further year on the following terms:

<b>Joint Authority</b>	<b>2013/14 (£)</b>
Pensions Authority	2,275
Fire Authority	4,775
Transport Authority	5,275
PCC	3, 313

In 2012/13, the Authority paid a similar amount.

The shared contract is for 60 hours of live webcasting and 6 months hosting of the archive on the internet. There is no charge for making unlimited videos with the equipment.

South Yorkshire Integrated Transport Authority agreed at its meeting on 6 June 2013 to contribute to a new contract for another year.

In the past year, the number of viewings has been as follows:

Pensions	2,990 (7 webcasts) Av 430 archive views
Transport	5,099 (11 webcasts) Av 450 archive views
Fire	3,617 (9 webcasts) Av 400 archive views

Police (to Nov 2012)	6,202 (7 webcasts)
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The contract has run since 2007 (including a public tender) with Public-i, a Brighton based company, which has more than 50 local government clients (including Barnsley MBC), and adding Birmingham and Edinburgh City Councils this year. They are reliable, innovative and an established part of the local government landscape, including digital engagement commissions for the Association of Police and Crime Commissioners, Society of Local Authority Chief Executives, and Local Government Association.

#### **4. New LGPS**

The Authority has an important year ahead in the countdown to the new LGPS. The webcasting equipment provides a no-cost (where the webcast is not live) capacity to explain and promote the scheme, reducing the number of personal contact hours that would otherwise have to be spent explaining to members and employers.

Scheme members across the county, nationally and abroad, can engage with and contribute to meetings at a time of their choice, as the webcast archive is available for six months after the meeting.

Nationally, more than 80% of people have internet access and of the 92% with mobile phones, half have smartphones, which are internet-enabled. There is every indication that the public wants a direct relationship with elected politicians and that, for many people, this will be online.

#### **5. Members**

One of the important features of the new webcasting platform Connect Social is the ability it gives Members to create online profiles. Members have the ability to track the key conversations they take part in online, in a way that can be easily shared or embedded on their own website.

Citizens can identify, monitor and interact with their representatives and find out what they are saying and doing on key local issues – helping to close the democratic accountability gap. It's also a great tool for Members as they can provide an accurate record of what they actually said on an issue by indexing their contribution in every webcast archived as well as highlighting the key social media conversations they take part in.

#### **6. Implications**

- 6.1 The report has set out the possible financial and diversity implications.
- 6.2 There are no crime and disorder implications.
- 6.3 There is a low risk of legal action. This relates to the potential of defamatory statements by members of the Authority which are

subsequently transmitted by webcast. However, the Authority can remove potentially defamatory statements from the archive copy of the webcast. The Authority's insurers have also stated the current liability policies will provide an indemnity in respect of any claims arising out of the webcast transmissions of Authority meetings.

**S Pick**  
**Clerk and Treasurer**

**Officer responsible:** Martin McCarthy, Deputy Clerk (Policy)  
South Yorkshire Joint Secretariat  
01226 772808 mmccarthy@syjs.gov.uk

**Background papers** used in the preparation of this report are available for inspection at the South Yorkshire Joint Secretariat, Barnsley.

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## SOUTH YORKSHIRE PENSIONS AUTHORITY

20 JUNE 2013

### Report of the Clerk and Treasurer

## MEMBERS' LEARNING AND DEVELOPMENT: PENSION FUNDAMENTALS IN-HOUSE TRAINING SESSION

### 1. Purpose of the Report

To inform Members about the development of a bespoke Pension Fundamentals Refresher training session.

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### 2. Recommendations

That Members consider expressing an interest in attending the session.

### CONTENTS

Main Report

Appendix A Outline training programme

### 3. Information

- 3.1 Members have said that although the 3 day LGPS Trustee Training Fundamentals course is an important part of their Learning and Development owing to the detailed information provided, it would be beneficial to have a one day 'refresher' course with the aim of covering some of the key topics to reinforce learning on these subjects.
- 3.2 Members will recall that a survey was circulated in February with a list of topics covered on the 3-day Fundamentals course.
- 3.3 From the responses received, a one day refresher training session has been developed to provide an update and overview of the topics that Members indicated would be the most useful to re-examine.
- 3.4 The draft training programme is attached to this report as Appendix A
- 3.5 It is proposed to hold the training day at the Joint Secretariat at the beginning of September subject to the availability of Members and Officers.
- 3.6 The 3 day LGPS Fundamentals training programme will continue to be part of the Member Learning and Development Schedule and attendance is mandatory for new Members.

### 4. Implications

- Financial – the external trainer has agreed to deliver the course at no cost to the Authority
- Legal - None

- Diversity - None
- Risk – It is an expectation of the Myners' Principles that Members are adequately trained to carry out their responsibilities on the Authority. Accordingly, the Authority has determined that Members' training be approached prudently but methodically to enable Members to receive the support they need. There is a risk that if Members are not properly or adequately trained the performance and reputation of the Authority might be impaired.

S PICK  
Clerk and Treasurer

Officer responsible:  
Rhona Bywater Principal Policy Officer  
Phone 01226 772851  
E-mail: rbywater@syjs.gov.uk

Background papers used in the preparation of this report are available for inspection in the Policy and Communications section.

## **LGPS Fundamentals Refresher training day**

Outline Programme

10am Welcome & Introductions from the Chair

10.05 Overview of the Pensions Authority including Corporate Governance /Duties & Responsibilities - Maureen Oades

10.20 Gary Chapman Benefits Framework

The LGPS, Past, Present and the Future – From Lunacy to ?

This session is aimed at providing participants with an overview of the current and forthcoming benefit package together with a glimpse into the past to provide context of why change has been inevitable.

11.20 Break

11.30 The Investment Framework – Stephen Lee

- LGPS Management and Investment of Funds Regulation
- Funding Strategy Statement
- Statement of Investment Principles
- CIPFA / Myners Principles ( including CIPFA Knowledge and Skills Framework)
- LGPS Administration Regulations
- Governance Policy and Compliance Statement
- Report and Accounts

12.30 LUNCH

13.15 – 14.15 Asset classes – Stephen Lee

Financial Markets and Product Knowledge plus Investment Performance and Risk Management.

- What are the different asset classes?
- What do we mean by return / risk?
- Why is asset allocation important?
- How can you portfolio be managed?

14.15 Questions & Answers, summing up and evaluation forms

15.00 CLOSE

Trainers:

Maureen Oades SYJS Deputy Clerk & Monitoring Officer

Stephen Lee Sales Director UK Institutional Investec Asset Management

John Hattersley SYPA Fund Director

Gary Chapman Head of Pensions Administration

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## SOUTH YORKSHIRE PENSIONS AUTHORITY

### INVESTMENT BOARD

28 FEBRUARY 2013

PRESENT: Councillor M Lawton (Chair)  
Councillors: K Goulty, B Lodge, C McGuinness, B Perrin and  
A Sangar

Officers: M Jaworski (Deputy Treasurer), S Smith (Head of  
Investments), K Palmer (Principal Investments Manager),  
F Bourne (Administration Officer) and M McCoole (Senior  
Democratic Services Officer)

Trade Union Members: G Warwick (GMB)

Investment Advisors: T Gardener and L Robb

Apologies for absence were received from Councillor R Wraith,  
R Gillson, J Coombs, M Stowe, S Pick and J Hattersley

#### 1 APOLOGIES

As noted above.

#### 2 ANNOUNCEMENTS

Members noted that R Gillson had formally resigned as an advisor to the Authority, due to ill health. Members agreed that a letter should be sent to R Gillson, on behalf of the Authority, to express their gratitude for all his help and assistance.

#### 3 URGENT ITEMS

None.

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

RESOLVED – That:-

- i) Item 16 'Emerging Market Equity Exposure'
- ii) Item 17 'Responsible Investment: Engagement Update'
- iii) Item 18 'Presentation by Hendersons'

be considered in the absence of the public and press.

#### 5 DECLARATIONS OF INTEREST

None.

6 MINUTES OF THE MEETING HELD ON 13 DECEMBER 2012

Councillor Lawton referred to a number of meetings he had attended regarding infrastructure, and he would arrange for the presentation and minutes to be emailed onto Members.

RESOLVED – That the minutes of the meeting of the Board held on 13 December 2012 be agreed and signed by the Chair as a correct record.

7 WORK PROGRAMME

The Board considered its Work Programme to December 2013.

Councillor Lawton enquired whether a presentation by a member of staff on the internal portfolio, would be given to the December 2013 Board meeting.

T Gardener (TG) referred to the last WM presentation where there had been a discussion regarding the performance numbers being presented. Officers would ascertain the position.

RESOLVED – That the Work Programme be noted.

8 UPDATE ON MATTERS THAT HAVE ARISEN SINCE THE LAST MEETING

None.

9 LOCAL AUTHORITY PENSION FUND FORUM: OCTOBER 2012 BUSINESS MEETING

A report of the Fund Director was submitted to inform Members that the minutes of the October 2012 business meeting had been issued.

RESOLVED – That the report be noted.

10 LOCAL AREA PENSION FUND FORUM: 17TH ANNUAL CONFERENCE

A report of the Fund Director was submitted to report upon the 17th annual conference of the Forum.

RESOLVED – That the report be noted.

11 LOCAL AUTHORITY PENSION FUND FORUM: ELECTION

A report of the Fund Director was submitted to inform Members of the outcome of the election for Chair and Vice-Chair of the Forum.

Councillor Kieran Quinn, Chair of Greater Manchester Pension Fund had been appointed as Chair of the Local Authority Pension Fund Forum; Councillor Lawton had passed congratulations onto him, on behalf of the Board. Councillor Cameron Rose, representing Lothian Pension Fund, and Ian Greenwood were appointed Vice-Chairs.

RESOLVED – That the report be noted.

12 RESPONSIBLE INVESTMENT POLICY

A report of the Fund Director was submitted to seek Members' views regarding the need to review the Authority's responsible investment (RI) policy.

A full review of the Responsible Investment policy was last instigated by the Authority in 2008, in conjunction with the South Yorkshire Passenger Transport Pension Fund Committee. No substantial changes were made at that time, and the Authority was in-line with its peers by not operating an exclusion policy. Members noted that some companies the Authority may have issues with ethically do follow good corporate governance policies. The Authority has always been of the opinion that it has a fiduciary duty to obtain the best financial return it can for all of its members, irrespective of the views of individual scheme members. Members noted that tobacco investments had been amongst the best performing sectors over the last 10 years but acknowledged the increased media interest in such shareholdings ahead of the forthcoming transfer of responsibilities for public health from the National Health Service to local authorities (April 2013).

TG did not have any qualms with the current policy. However, because it was 5 years since the policy had been checked we should ensure that we still met best practice for Local Authority Schemes, and if not, should identify the areas where we differ. TG suggested a report back to the next Board meeting to indicate that the policy had been reviewed and whether it remained the same as other authorities.

RESOLVED – That Members agreed to review the current policy and asked that a further report, including a proposed policy statement, be brought to the next Board meeting.

13 ACTUARIAL VALUATIONS AND ASSET AND LIABILITY STUDY 2013: ASSUMPTIONS

A report of the Fund Director was submitted to update the investment advisors and Members on the assumptions etc. being used in the actuarial valuation and the companion asset and liability study.

It had been agreed at the last Board meeting that a further report be brought to this meeting suggesting preliminary thoughts regarding the assumptions to be used for the actuarial valuation. Mercers had indicated it was premature to debate actual assumptions. Mercers would be holding preliminary discussions with the four district councils in April 2013, at which time the actual yields and rates at the end of the financial year would be known; a report would be brought to the 23 May 2013 Board meeting.

TG disagreed with the way Mercers have started this process and felt their approach was unhelpful and complicated matters. TG added a more transparent approach would be required next time, to allow Members to be better educated in the process. L Robb (LR) referred to the training day in September 2012, where Mercers had discussed what the assumptions could be; he felt a more informed process was needed when making decisions. Councillor Lawton recommended the Advisors' comments be passed onto Mercers.

RESOLVED – That:-

- i) A further report be brought to the next Board meeting regarding the assumptions to be used for the actuarial valuation.
- ii) The report be noted.

14 CURRENCY HEDGING

The Head of Investments reported that at the end of December 2012 the hedge return had cost the Fund 0.1%; and that sterling had weakened since the end of December 2012.

TG explained that currency hedging was designed to alleviate risk; his worry was if sterling was weak long term, then the other aspect would be cash flow. The assets the Authority held would appreciate, but the Authority would have to pay money to offset it. The Head of Investments commented that the Authority had paid out £36.5m in January 2013; and the Authority would have to pay a further £35m if the position closed today.

RESOLVED – That the report be noted.

15 SYPA QUARTERLY REPORT TO 31 DECEMBER 2012

The Board reviewed the performance of the Fund during the quarter ended 31 December 2012. Investment concerns which had dominated the earlier part of the year had now receded, and global equity markets had been positive over the quarter.

The Fund continued to be overweight private equity funds and underweight bonds. Overall the Fund was neutral equities, although underweight overseas and overweight the UK to the same degree, which was being gradually adjusted.

Members were reminded that the benchmark allocations within international equities to the OFE and the Other International portfolios had been altered, and the benchmark for the OFE had changed to include India.

Total fund performance was 3.7% against an expected return of 3.6%, with the Fund valuation rising from £4721.7m to £4892.4m.

Members noted that Hendersons had outperformed slightly during the quarter; and that bond yields remained near their all-time lows. Index-linked had recovered from the sell-off last quarter, following the announcement of a review of how the RPI was calculated. The portfolio duration which was 24 years against 26.2 years, was negative for performance, due to the bonds at the shorter end having performed better. Strong performance from non-gilt holdings had made up for this.

High yield bonds had returned 5.0% against an expected return of 3.9%. The Fund had benefited from being overweight euro and sterling issues against dollar assets. Emerging market bonds had returned 3.3% against an expected return of 3.0%.

UK equities returned 3.6%, behind the expected benchmark return of 3.8%; the quarter was quiet in terms of trading activity, and influenced again by global events

with economic news abroad dominating UK market sentiment. The MPC kept interest rates on hold, with no further Quantitative Easing. At the end of December 2012 the FTSE 100 Index was just below 5900, trading 12% above the lows reached in June 2012.

European markets, in particular the peripheral markets, had been the strongest markets last quarter. The Fund was increasing its weighting into this strength, and were overweight in US which was the worst performing in sterling terms. Japan had rebounded from the previous quarter's lows following the victory of the Liberal Democratic Party (LDP) in December's general election and more aggressive action from the Bank of Japan; and the Fund had increased its weighting, and continued the restructuring within the Other International portfolio.

Property had returned 5.6% against the benchmark return of 0.5%. All areas of the property portfolio outperformed but the major contribution to performance was the agricultural portfolio. The annual valuation, as at December, had produced a 22% uplift.

Private equity had returned 0.9% against the benchmark return of 3.8%.

The Fund preferred overseas to UK equities and continued to switch when the opportunity arose. £20m had been switched from UK equities since the quarter end; and invested £20m into the Other International portfolio and £10m into Japan.

LR referred to fixed income currently being underweight by 1%, and asked in what circumstances the Fund would be much more underweight. The Head of Investments commented that two years ago the Fund had been more underweight than at present, due to the uncertainty of the markets. The Fund had made a decision to go into high yield bonds and market bonds. Everyone had been searching for yield.

TG commented that if yields continued to drop this could result in a bubble and he would suggest if that occurred bonds should be sold. LR asked about the position on this. The Head of Investments said JNH would take a strategic view. Both TG and LR felt that asset classes like high yield should be a strategic allocation rather than a permanent allocation. The Head of Investments said this was contrary to the view of the previous advisors who recommended that it should be in the benchmark.

T Gardener queried the reasoning behind having an allocation to absolute return funds and was advised that the bulk of the Funds exposure was through listed vehicles. As had been mentioned in previous quarterly reports this was an asset class which is contracting, although many pension funds were actually increasing allocation to the sector as a whole. It had been agreed at the last meeting that this allocation would be part of the A&L review.

RESOLVED – That the report be noted.

## 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 EMERGING MARKET EQUITY EXPOSURE

A report of the Fund Director was submitted to update Members on progress made since the last report.

At the December 2012 Board meeting Members had considered follow up information received from AllenbridgeEpic Investment Advisors, regarding potential managers for emerging market equity portfolios. Members had requested further information on the Latin American funds which had been put forward by Allenbridge and that officers investigate the practicality of running a passive regional portfolio internally.

The report showed the performance of the funds along with an ETF. The Fund did not feel this would give the best returns going forward, because although it tended to outperform in uncertain times, over the long term it underperformed due to the fact that the smaller and mid cap stocks which outperformed were not captured. An internal passive 'dummy' portfolio, based upon listed structures such as ADRs, had been run for two months and had performed more or less in-line.

During the discussion regarding the optimal manner in which to access Latin American equities Members and advisors considered the relative merits of an active versus passive approach, the merits of the individual managers and various options regarding weightings between managers. There was a consensus view that an allocation to smaller companies ought to be made but that it be limited to 25% of total exposure. Otherwise, it was agreed to leave the final decision to the discretion of the Fund Director.

RESOLVED – That Members:-

- i) Agreed the final choice of managers to be at the discretion of the Fund Director.
- ii) The Fund Director to report his choice of managers, together with the rationale and implied costs at the next Board meeting.
- iii) Noted the report.

18 RESPONSIBLE INVESTMENT: ENGAGEMENT UPDATE

A report of the Fund Director was submitted to advise Members of the Fund's responsible investment engagement activities. Members considered this report in the light of the earlier discussion regarding RI policy (item 12).

RESOLVED – That Members:-

- i) Agreed that the Fund should, from 1 April 2013, extend its voting policy to include European and North American equities providing the costs were as discussed in the meeting and that the appropriate supplementary estimate be approved for financial year 2013/14;

ii) That the report be noted.

19 PRESENTATION BY HENDERSONS

The Board received a presentation from Henderson Global Investors. The background to last year's performance was discussed. They underperformed their benchmark last year principally because of their holding in gilts which lagged as credit markets recovered. This means that since inception they have performed in line with their benchmark, before fees. They have not achieved their performance target but when asked whether they thought it was a realistic target they affirmed this and stated that over a five year period they had achieved the target and they thought that this would be the case in the future. They acknowledged that there would be periods when the target would not be met.

The portfolio performance reflected that over the last year they were not invested in sufficient risk assets. Going forward in 2013 they have put on more risk and stated that they thought this year would be much more influenced by stock issues rather than macro issues. Historically they have been good on stock selection.

Advisors and Members then asked questions. LR asked how would you expect performance to be built up; how much from stock selection; how much from top down; how do you think about that? TG wasn't clear why H had made the macro call over ECB policy and expressed concern about what seemed to be a short term play. H denied that arguing that they followed a steadier approach. LR queried individual stock selection and the number of positions held. TG added that he didn't want to see a closet index approach. H responded by stating that stock selection was key and that they were not index trackers.

RESOLVED – That the presentation be noted.

CHAIR

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## SOUTH YORKSHIRE PENSIONS AUTHORITY

### PENSIONS ADVISORY PANEL

16 APRIL 2013

PRESENT:	Councillor M Lawton (Chair) Councillor R Wraith (Vice-Chair)
Trade Unions	G Boyington (Unison) and G Warwick (GMB)
Pensioners & Deferred Representatives	D Carr, G Johnston, D Stevenson, D Tomkins and J Weston
Officers	R Bywater (Principal Policy Officer), G Chapman (Head of Pensions Administration), G Garrety (Democratic Services Officer), J Hattersley (Fund Director) and S Pick (Clerk and Treasurer)

Apologies were received from: M Clegg and R Padley

#### 1 WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting. Apologies were noted as above.

#### 2 MINUTES OF THE MEETING OF THE PANEL HELD ON 22 JANUARY 2013

RESOLVED – That the minutes of the Pensions Advisory Panel held on 22 January 2013 be agreed as a correct record.

#### 3 MINUTES OF THE AUTHORITY AND BOARDS

##### Pensions Authority 17 January 2013

With regard to the LGPS reform proposals and the 50/50 option, where members could elect to pay 50% of the required contributions in return for 50% of the benefits, the Panel asked whether this would be an opportunity to encourage members to remain in the Scheme.

G Chapman said that it was intended to be a low cost option to encourage just that, but as it was something completely new, it is not yet known how many members would actually be interested in it. Plans were underway for later in the year to poll current members to see what level of interest there was in this new facility. It was noted that the 50/50 option could have tax benefits for some members.

##### Pensions Authority 21 March 2013

A member of the Panel raised a question regarding minute 11 and the Joint Authorities' usage of the Co-operative Bank.

J Hattersley explained that currently the four Joint Authorities used the Co-operative Bank for retail purposes and benefitted from economies of scale. If any of the

Authorities decided to leave the arrangement this would have implications for the other Authorities. At the moment there was uncertainty around the Police and Crime Commissioner and the Integrated Transport Authority; if either or both decided to leave it may be appropriate for the Pensions Authority to go out to tender.

#### Investment Board

A member of the panel questioned the Authority's use of currency hedging, and the risks involved.

The Chair reported that the Authority's previous external advisors had recommended this course of action.

J Hattersley explained that passive currency hedging was not speculative and was used as an insurance policy paid to ensure underlying values didn't fluctuate. Since the end of December currency had been very volatile and the pound had been weak against both the euro and the dollar; the pound had strengthened in March.

#### **4** LGPS UPDATE

The Panel were informed that DCLG had issued three sets of draft regulations on the day before Good Friday.

- Draft LGPS Regulations 2013 – responses required by 3 May
- Draft LGPS (Transitional Provisions and Savings) Regulations 2013 – responses required by 24 May
- Draft LGPS (Miscellaneous Amendments) Regulations 2013 – responses required by 24 May

It was noted that there was a lot of information to look at and a lot of technical issues to digest. A briefing note would be circulated to all Authority members and the Pensions Advisory Panel in the near future.

G Chapman updated the Panel on numerous changes to the Scheme.

G Warwick commented that it would be very important to communicate the changes to members in a way they could understand.

G Chapman replied that it was intended to communicate the changes in every way possible i.e. on the website, in newsletters and by producing short videos on the differences in the new Scheme.

J Hattersley commented that the advisory offices in the districts were key; this reinforced the need to keep the district offices open and fully manned.

G Warwick remarked that he fully supported the comments regarding the district offices; they were a tremendous benefit to members. He had received numerous positive comments regarding the Sheffield office and the information they provided and asked that his comments be passed on.

The Panel noted that consultation regarding councillors' pensions had now been published on the DCLG's website. The government had identified three options for

consultation whereby councillors may, or may not access the new Scheme from 2014. Closing date for responses was 5 July 2013 and the Authority would debate the issue at its June meeting.

**5 MEMBER TRAINING AND DEVELOPMENT**

The Panel noted the progress made on organising a 1-day refresher training session. Members had been asked what topics they would find most useful, and the replies were now being used to construct the programme for the day.

It was intended to deliver the training in late September at the Joint Secretariat. A report would be submitted to the Pensions Authority on 20 June and an invitation to attend extended to members of the Pensions Advisory Panel.

G Warwick welcomed the invitation as the Trades Union representatives had been pressing for training for years.

G Boyington commented that training/briefing sessions held after most meetings of the Authority and Boards were useful and open for Panel members to attend.

It was suggested that the training could be webcast as it could be useful for members to look back on to reinforce their learning.

**6 MATTERS RAISED BY THE PANEL**

G Johnson queried whether the HRMC RTI initiative had been implemented by SYPA with regard to the online provision of pensioner tax information. G Chapman confirmed that SYPA was compliant for both the pensioner and staff payrolls.

The Panel briefly discussed the recent situation in Cyprus and the possibility of a similar situation occurring in the UK. It was noted that there was little the Authority could do to guard against such an occurrence.

G Chapman informed the Panel that in April, pensioner members would receive their payslip and P60 delivered with the newsletter in a single mailing. The newsletter advertised the current vacancy on the Pensions Advisory Panel and it was hoped a new member would be in place for the next meeting.

CHAIR

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## SOUTH YORKSHIRE PENSIONS AUTHORITY

### CORPORATE PLANNING AND GOVERNANCE BOARD

**16 MAY 2013**

PRESENT: Councillor R Wraith (Chair)  
M Lawton (Vice-Chair)  
Councillors: B Ford, L Rooney and P Wootton

Officers: M Oades (Deputy Clerk & Monitoring Officer), S Pick (Clerk and Treasurer), A Shirt (Senior Democratic Services Officer), M Wilkinson (Internal Audit Manager), R Winter (Head of Internal Audit) and I Baker (Pensions Manager)

G Boyington (Unison) and G Warwick (GMB)

Councillor K Goulty (Observer)

R Lindley (KPMG)

Apologies for absence were received from Councillor D Baker, Councillor E Butler, G Chapman, J Hattersley and J Prentice

1 APOLOGIES

Apologies were noted as above.

2 ANNOUNCEMENTS

None.

3 URGENT ITEMS

None.

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

RESOLVED – That agenda item 18 ‘Treasury Management Update’ be considered in the absence of the public and press.

5 DECLARATIONS OF INTEREST

None.

6 MINUTES OF THE MEETING HELD ON 14 MARCH 2013

RESOLVED – That the minutes of the Board held on 14 March 2013 be agreed and signed by the Chair as a correct record.

7 WORK PROGRAMME

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

8 PENSIONS ADMINISTRATION UPDATE

A report of the Head of Pensions Administration was presented updating Members on administration issues for the period 1 January 2013 to 31 March 2013.

Members were saddened to note the death in service of one of the Authority's staff on 27 March 2013. Maureen Saxton had been with the Authority since May 2005 and worked in the Sheffield District Office. Members requested that a letter of condolence be sent to Maureen's family on behalf of Authority Members.

I Baker commented that during the three month period staff had been preparing the annual pensions increase exercise and also commenced preparations for the receipt of the 2012/13 year end contribution returns and for meeting the Valuation timetable. There had been 99.9% performance on both priority and non-priority casework.

Three members of staff from the Member Services Unit had sat and passed their internal career grade examinations. One member of staff from the Member Services Unit had sat and passed professional exams. A Member of the Payroll Team had sat and passed her second year professional examination in the "Advanced Practitioner Certificate for Payroll".

Members requested that a letter of congratulations be sent to the appropriate SYPA staff for their examination achievements.

The Board were pleased to note the numerous compliments the Authority had received for its customer service efforts to both scheme members and employers. Members requested that a letter of thanks and appreciation from the Board be sent to appropriate SYPA officers and teams.

RESOLVED –

- i) That the contents of the report be noted.
- ii) That a letter of condolence be sent on behalf of Authority Members to Maureen Saxton's family.
- iii) That a letter of congratulations be sent to the appropriate SYPA staff for their examination achievements.
- iv) That a letter of thanks and appreciation from the Board be sent to appropriate SYPA officers and teams for its customer service efforts to both scheme members and employers.

9 EMPLOYERS SLA PERFORMANCE AND OUTSTANDING WORKLOAD

A report of the Head of Pensions Administration was submitted updating Members on employers' performance and any known levels of outstanding workload for the quarter ending 31 March 2013.

Overall performance between this quarter and the quarter ended 31 December 2012 had seen a decrease in the number of cases received (down from 3984 to 3391).

Members noted that measures were currently being taken by the district councils to improve and maintain a higher level of performance.

The Chairman suggested that in an attempt to improve the flow of data and the districts SLA performance results, could Barnsley MBC and Sheffield CC operate on Rotherham MBC template which had produced excellent performance results. The Clerk and Treasurer added that he would raise this with the South Yorkshire Treasurers.

Councillor Lawton commented that he would also raise the issue regarding Sheffield's performance with the Chair of the Council's Audit Committee.

RESOLVED –

- i) That the contents of the report be noted.
- ii) That the Board notes the steps being taken to address the performance shortfall.

10 CONSULTATION PROGRAMME - ANNUAL PENSION FORECAST SURVEY

A report of the Communications Manager was presented informing Members of the results of the Annual Pension Forecast Survey carried out amongst current Scheme members who received their 2012 Annual Pension Forecast with a view to testing Scheme members overall experience.

Members noted that approximately 40,587 forecasts were issued between December 2012 and January 2013. 14 completed surveys had been submitted via the Authority's website. Appendix A to the report set out a summary and detailed analysis of the responses along with individual comments and feedback.

Members commented that the number of completed survey returns received by the Authority were disappointing; questioning if the Authority should continue with this particular part of the consultation programme in the future.

RESOLVED – That the report be noted.

11 LGPS 2014: UPDATE

The Pensions Manager provided the Board with a verbal update in relation to the LGPS 2014.

Members noted that the Public Service Pensions Bill had received Royal Assent on 25 April 2013, becoming the Public Service Pensions Act 2013 ('the Act').

The Head of Pensions Administration had submitted a response to DCLG's second period of consultation on the General and Technical applications of the draft LGPS Regulations 2013.

Members were requested to consider if the Authority should also respond to DCLG's further consultation on the Transitional Provisions and Miscellaneous Amendments, in two main areas; i) Loss of protection; and ii) Statutory 'underpin'.

Members raised that they did not support the proposals outlined by DCLG and requested the Head of Pensions Administration to submit comments on their behalf.

RESOLVED –

- i) That the update be noted.
- ii) That the Head of Pensions Administration be requested to submit comments on behalf of the Board to the DCLG's consultation on the Transitional Provisions and Miscellaneous Amendments.

**12**     **RISK REGISTER**

A report of the Clerk and Treasurer was submitted updating the Board on the Authority's Risk Register.

No new risks had been added to the Risk Register since the Board's last meeting.

RESOLVED – That Members approve the updated Risk Register.

**13**     **KPMG PROGRESS REPORT**

KPMG's Audit Manager provided the Board with a verbal update informing Members that KPMG had now completed their planning and on-site interim audit work in line with the timetable set out in the External Audit Plan.

In the Plan, KPMG had indicated that they were planning to present an Interim Audit Report to today's meeting on the planning and control evaluation phases of the audit; however the audit work had gone smoothly and had not identified any significant issues.

RESOLVED – That the update be noted.

**14**     **INTERNAL AUDIT ANNUAL REPORT 2012/13**

A report of the Head of Internal Audit was submitted setting out the Internal Audit Annual Report for 2012/13.

The Annual Report set out the work of the Internal Audit Team for the Police and Crime Commissioner, the Force, the Joint Authorities and the Joint Secretariat.



The report included:

- A summary of the actual position for the year against the plan.
- An outline of the work undertaken to review the financial control and other internal control arrangements.
- The opinion on the internal control framework that has been taken into account in preparing the Annual Governance Statement for 2012/13 which is on today's agenda.
- The Internal Audit Team's performance measures, including the results of a self-assessment of the Team's position in relation to the requirements of the new Public Sector Internal Audit Standards 2013.

The Committee noted that the Annual Report would be published on the Authority's website.

RESOLVED – That the report be noted.

#### 15 REVIEW OF GOVERNANCE ARRANGEMENTS

A report of the Clerk and Treasurer was submitted to enable the Committee to consider the findings of the annual review of the Authority's governance arrangements.

Members noted that the Officer Planning Group had assessed the governance arrangements in place and had identified that there was one significant issue which needed to be included in the 2012-13 Annual Governance Action Plan, namely, 'the accuracy of pay and contributions data from the District Councils'.

RESOLVED – That Members:

- i) Notes the findings of the annual review of the Authority's governance arrangements;
- ii) Notes that the review had identified one significant governance issue which should be included in the Annual Governance Statement 2012-13; and
- iii) Approves the draft Annual Governance Statement attached at Appendix A to this report.

#### 16 ANNUAL REPORT OF THE AUDIT COMMITTEE

A report of the Clerk and Treasurer was submitted requesting the Board to consider the draft Annual Report of the Audit Committee 2012/13 prior to its submission to the full Authority.

The Deputy Clerk and Monitoring Officer reported that good practice guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) recommends that audit committees produce an Annual Report for consideration by its "governing body" to enable the Board to be reassured that they are fulfilling their roles and responsibilities.

Members commented that a representative from UCATT had not attended any Board meetings during 2012/13. The Clerk and Treasurer informed Members that a letter had been sent to UCATT inviting representation at the Board.

Members requested the Clerk and Treasurer to re-contact UCATT regarding its representation at future Board meetings.

RESOLVED – That Members:

- i) Note and approve the Annual Report for 2012/13; and
- ii) Agree to submit the final version to the full Authority and to publish it on the Authority's website.
- iii) Request the Clerk and Treasurer to re-contact UCATT regarding its representation at future Board meetings.

17 BUDGET MONITORING

A report of the Clerk and Treasurer was presented advising Members of the current expenditure levels within the Authority against approved budget.

In November 2012 the Authority approved a revised budget for 2012/13 of £5,242,800 to maintain current levels of service.

The Board noted the actual expenditure to 31 December 2012 compared to the full revised budget; final expenditure could not be confirmed until the 2012/13 annual accounts had been finalised.

RESOLVED – That the report be noted.

18 EXCLUSION OF 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.

19 TREASURY MANAGEMENT: UPDATE

A report of the Clerk and Treasurer was submitted providing the Board with an update on the treasury management operations of the Authority.

Members requested the Clerk and Treasurer to carry out a review of the Joint Authorities banking arrangements. It was agreed that the outcome of the review would be presented at the June 2013 Board meeting.

RESOLVED –

- i) That the report be noted.

- ii) That the Clerk and Treasurer be requested to carry out a review of the Joint Authorities banking arrangements and that the outcome of the review be presented at the June 2013 Board meeting.

CHAIR

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