

SOUTH YORKSHIRE PENSIONS AUTHORITY

20 MARCH 2014

PRESENT: Councillor K Goulty (Chair)
Councillor R Wraith (Vice-Chair)
Councillors: D Baker, J Campbell, M Lawton, K Rodgers,
L Rooney, A Sangar and P Wootton

Trade Unions: G Boyington (Unison), G Warwick (GMB) and
F Tyas (UCATT)

Officers: S Pick, G Chapman (Head of Pensions
Administration), J Hattersley (Fund Director) and M McCoolle
(Senior Democratic Services Officer)

G Kirk (BMBC), J Bell (Barnsley MBC) and I Rooth (BMBC)

Apologies for absence were received from Councillor E Butler,
Councillor B Ford and Councillor K Richardson

1 APOLOGIES

Apologies for absence were noted as above.

2 ANNOUNCEMENTS

None.

3 URGENT ITEMS

An urgent report entitled 'Attendance of Member at Meetings', would be taken as Item 24, in the absence of the public press.

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

RESOLVED – That the following agenda items be considered in the absence of the public and press:-

Item 22 'Debt Write Offs'

Item 23 'Release of Preserved Benefits – Compassionate Grounds'

Item 24 'Attendance of Member at Meetings'

5 DECLARATIONS OF INTEREST

None.

6 MINUTES OF THE AUTHORITY MEETING HELD ON 16 JANUARY 2014

RESOLVED – That the minutes of the Authority meeting held on 16 January 2014 be signed by the Chair as a correct record.

7 MINUTES OF THE AUTHORITY MEETING HELD ON 13 FEBRUARY 2014

Councillor Sangar queried whether dialogue with the actuary and the district councils was on-going.

The Fund Director had raised the matter with the South Yorkshire Treasurers' Association, and had said we wanted to improve liaison with the actuary to at least a 6 monthly basis. The meetings would be minuted and presented at the next available Authority meeting; Mercers had agreed to this in principle. A response was awaited from SYTA.

RESOLVED – That the minutes of the Authority meeting held on 13 February 2014 be signed by the Chair as a correct record.

8 WORK PROGRAMME

The Authority considered its' Work Programme to 12 June 2014.

Members noted the proposal to reschedule the AGM from 12 June 2014 to 19 June 2014, due to the Local and European elections on 22 May 2014; the matter would be discussed later on the agenda.

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

9 SECTION 41 FEEDBACK FROM DISTRICT COUNCILS

Councillor Lawton was still receiving a number of queries regarding social investment issues, and from councillors regarding the changes to councillors' pensions. Councillor Lawton requested the Head of Pensions Administration to write a paper to provide councillors with generic information and advice upon coming out of the scheme.

The Head of Pensions Administration agreed to the request, and added the end of term office dates for every councillor in the scheme had started to be collated, to allow him to personally write to them to explain the options available.

10 PERFORMANCE SNAPSHOT REPORT 2013/14: Q3

A performance snapshot report for 2013/14: Q3 was submitted for Members' information.

During the quarter there had been two redundancy retirements, one leaver and one new starter; staff training continued to be up to date. Sickness absence was 2.8% in total, which was 0.3% down on the previous quarter.

There had been 19 new employers registered for EPIC during the quarter, and 265 new members had registered for MyPension.

RESOLVED – That the report be noted.

11 TREASURY MANAGEMENT STRATEGY STATEMENT 2014/15

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

RESOLVED – That the Authority:-

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

12 REVISED FUNDING STRATEGY

A report of the Head of Pensions Administration was submitted to seek Members' confirmation of changes to the funding strategy.

RESOLVED – That Members confirmed the changes to the funding strategy.

13 2013 TRIENNIAL VALUATION UPDATE

A report of the Head of Pensions Administration was submitted, which advised Members of the final outcome of the 2013 Triennial Valuation exercise.

At the last Authority meeting the actuary had updated Members on the results of the 2013 valuation exercise, which revealed a national deficit of £1,704m representing a funding level of 76%, and an average employer's future accrual contribution rate of 12.8%.

Members noted that the valuation would be completed on time by 31 March 2014; all employers had been notified of contribution rates and reminders had been issued to deduct the correct amounts from April 2014.

Councillor Lawton gave thanks on behalf of Members to all officers and Mercers for the hard work undertaken during the last year, and requested thanks be forwarded onto all staff involved.

RESOLVED – That the report be noted.

14 BOARD CHAIRS' REPORTS

Councillor Gouly reported that the Authority had won two performance awards for the Segregated Pension Funds and the 10 Year Relative Return Award, for the IPD/IPF Property Investment Awards for 2014, which the Authority had also won last year. The Award Ceremony recognised the highest 3 year return performance within 13 categories based upon the fund type and size, and top risk adjusted returns over the 10 year period to December 2013. The Authority had won the 10 year award as well

as the 3 year category, which the Authority had won for the last 2 years. Congratulations were given to the officers involved.

Councillor Lawton would step down from the Authority as of today, and Members thanked him for his assistance and dedication to the Authority in both his roles of Chair and Member. Councillor Sangar added that Councillor Lawton had continued to attend conferences, read information on other investments that the Authority should take an interest in, and provided challenge to officers.

15 MANAGEMENT ARRANGEMENTS AND OPERATING AGREEMENT BETWEEN BARNSELY METROPOLITAN COUNCIL AND SOUTH YORKSHIRE JOINT SECRETARIAT

A report of the Clerk and Treasurer was submitted to advise the Authority of the proposals for alterations to the senior management arrangements within Barnsley Council to support the South Yorkshire Joint Secretariat, and to seek approval to the necessary amendment of the existing Operating Agreement between the Council and the Joint Authority to reflect these changes.

The Director of Human Resources BMBC commented that there were no proposals to change staff structures, other than being structured with BMBC colleagues.

Members requested to be kept updated, and hoped this would not impact upon the service provided to the Authority.

Councillor Rodgers had a misgiving about the current SYJS administrative function becoming part of BMBC.

Members expressed their appreciation for the contributions over the years that the retiring officers (Steve Pick as Clerk and Treasurer and Maureen Oades as Deputy Clerk, Solicitor and Monitoring Officer) had made to the successful management of the Authority.

RESOLVED – That:-

- i) The Authority approved appropriate alterations to the existing Agreement with Barnsley Council.
- ii) The Chief Executive of Barnsley Council be appointed Clerk to the Authority with effect from 1 April 2014.
- iii) The Director of Finance, Property and Information Services of Barnsley Council be appointed Proper Officer for administration of the Financial Affairs of the Authority pursuant to Section 73 of the Local Government Act 1985 with effect from 1 April 2014 with the title Treasurer.
- iv) The Director of Legal and Governance of Barnsley Council be appointed Monitoring Officer and solicitor to the Authority with effect from 1 April 2014.
- v) Appropriate amendments be made to the Scheme of Delegation of the Authority in respect of functions presently delegated to the Clerk and Treasurer.

16 LGPS REFORM PROPOSALS UPDATE

The Head of Pensions Administration provided Members with an update on the LGPS Reform.

Members noted the Transitional Regulations had finally been received, and would allow the Authority to finalise arrangements.

A newsletter would be sent to scheme members before 31 March 2014, which would welcome them to the new scheme, provide useful information i.e. the new 50/50 section, and encourage people to take an interest in their pensions. In an attempt to encourage more scheme members to read the newsletters three different designs were being issued based around different age groups.

Emails had been sent to councillors as soon as the information was received that councillor membership would cease at the end of the current term of office for each councillor. Councillors would receive written information to explain the short term position, and again when their term of office came up, to explain the benefits available to them.

The Head of Pensions Administration reported that the Governance Draft Regulations were expected during April 2014, and would be sent out to Members

Following various submissions and the study undertaken by Hymans, the Minister had intimated that he may be moving away from the idea of fund mergers and considering exploring the possibility of fund collaboration via common investment vehicles etc. Papers would shortly be made available.

The Head of Pensions Administration commented that following the results of a recent survey the DfE were rumoured to be less interested in the idea of pooling academies.

RESOLVED – That the update be received.

17 TRADES UNION REPRESENTATION ON BOARDS

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

Members noted that Trades Union representatives had three seats allocated to each Board.

RESOLVED – That Members approved the extension to the Terms of Office of the Trades Union representatives on the Authority's Boards until implementation of new governance arrangements or 31 March 2015, whichever was the earlier.

18 MEETINGS OF THE AUTHORITY AND BOARDS IN 2014/15

A report of the Clerk and Treasurer was submitted to consider the proposed schedule of Authority and Board meetings during 2014/15.

Pensions Authority: Thursday 20 March 2014

As a result of the Local and European elections on 22 May 2014, Members noted the proposal to reschedule the AGM from 12 June 2014 to 19 June 2014.

A meeting of the Corporate Planning and Governance Board was required in late July 2014 to approve the Accounts and Annual Report. A meeting was proposed for Thursday 24 July 2014 at **2.00 pm**, to avoid a clash with a BMBC meeting.

Members noted the following cycle of meetings for 2014/15:-

Pensions Authority	Corporate Planning & Governance Board	Investment Board	PAP
	2014		
19 June (Annual)	19 June*	26 June* ¹	
			8 July*
	24 July @ 2pm		
		18 September	
2 October			
			14 October
	13 November		
27 November			
		11 December	
	2015		
15 January			20 January
		12 March	
19 March	19 March		
			14 April**
11 June** (Annual)	18 June**	25 June**	
			7 July**

* Meeting dates already approved

¹ Moved from May due to elections

** Dependent on new governance arrangements

RESOLVED – That Members approved the cycle of meetings for 2014/15.

19 MEMBER TRAINING AND EDUCATION: EXTERNAL CONFERENCE

A report of the Clerk and Treasurer was submitted to bring to Members' attention the LGA Trustees Annual Conference.

Members noted the eleventh annual trustees' conference would be held at the Marriott Highcliff Hotel, Bournemouth on 19 and 20 June 2014. Members were advised to contact G Garrey on 01226 772806 if they wished to enrol.

RESOLVED – That Members considered whether or not they wished to register for the conference.

20 UPDATE ON THE CO-OPERATIVE BANK

The Clerk and Treasurer was unaware of any significant changes since last reported, and would keep Members updated. The Fund Director was undertaking market testing, and it was possible that the Authority could move to a new bank by the late summer.

RESOLVED – That the update be noted.

21 SOUTH YORKSHIRE COMBINED AUTHORITY: THE BARNESLEY, DONCASTER, ROTHERHAM AND SHEFFIELD COMBINED AUTHORITY ORDER 2014

A report of the Fund Director was submitted to update Members on the Government's consultation over a proposal to replace the South Yorkshire Integrated Transport Authority with a combined authority and the implications for its responsibilities as an administering authority of the Local Government Pension Scheme (i.e. the South Yorkshire Passenger Transport Pension Fund). It was expected that the CA would come into existence on 1 April 2014 and that all existing contracts, including those with this Authority, would transfer to the new authority.

RESOLVED – That Members noted the report.

22 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 item 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.

23 DEBT WRITE OFFS

A report of the Clerk and Treasurer was submitted, to authorise the write-off of outstanding rent accounts relating to the Fund's commercial property portfolio.

RESOLVED – That Members authorised the write-off of outstanding rent accounts relating to the Fund's commercial property portfolio, as detailed in the report.

24 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 a former Barnsley Development Association employee for the release of preserved benefits on compassionate grounds.

RESOLVED – That Members:-

- i) Reviewed the circumstances surrounding the request for release of preserved benefits as attached at Appendix A to the report.

- ii) Agreed to release the preserved benefits on compassionate grounds.

25 ATTENDANCE OF MEMBER AT MEETINGS

A report of the Clerk and Treasurer was submitted for Members to consider the non-attendance at meetings of a member of the Authority, due to mitigating circumstances, and the options open to the Authority.

RESOLVED – That Members agreed the Member would remain on the Authority until the AGM.

CHAIR