

SHEFFIELD CITY REGION COMBINED AUTHORITY/SOUTH YORKSHIRE PENSIONS AUTHORITY

JOINT LOCAL PENSION BOARD

1 OCTOBER 2015

PRESENT: G Boyington (Scheme Member) (Chair)

G Berrett (Employer, SYP), K Morgan (UCATT), M Priestley (Employer, St Mary's Academy Trust), J Thompson (Employer, Action Housing), G Warwick (GMB) and S Ross (Scheme Member)

Officers: J Hattersley (Fund Director SYPA), G Chapman (Head of Pensions Administration SYPA), M McCarthy (Deputy Clerk) and G Richards (Democratic Services Officer)

Councillor H Mirfin-Boukouris and Councillor K Wyatt (Observers)

Apologies for absence were received from S Carnell, Councillor B Curran, N Doolan, F Foster and A Frosdick

1 WELCOME AND APOLOGIES

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

2 LGPS/SOUTH YORKSHIRE SCHEME - INDUCTION

Gary Chapman, Head of Pensions Administration, gave a presentation which provided an overview of the Administration Department and its workings and included:

- The staffing of the Department;
- Pensions administration statistics;
- The history of South Yorkshire Pension Fund and South Yorkshire Passenger Transport Pension Fund;
- The statutory basis of the schemes and the national machinery;
- Membership of the Scheme;
- Contributions and benefits;
- Tax considerations and inflation proofing;
- Determinations and appeals;
- Funding; and
- Current issues.

John Hattersley, Fund Director, gave a presentation on the Investment Division, which included:

- Asset and Liability Study;
- Asset class allocation and breakdown of asset classes;

- Recent changes to asset allocation and bond portfolios;
- Fund valuation and outlook;
- Relative performance - risk and return;
- CLG consultation on Collaboration, Cost Savings and Efficiencies;
- Fiduciary duty; and
- 2014/2015 market returns.

The Chair thanked G Chapman and J Hattersley for very informative presentations.

3 DECLARATIONS OF INTEREST

None.

4 MINUTES OF THE MEETING OF THE BOARD HELD ON 23 JULY 2015

The following points were raised from the minutes of the first meeting of the board:

- There had still been no appointment to the Board from Doncaster MBC - M McCarthy would ask the Monitoring Officer to take this up. If no appointment was forthcoming it was noted that either Barnsley MBC or Rotherham MBC could be asked to make an appointment to the Board.
- The budget for the Local Pension Board had been agreed by the Pensions Authority that morning. It was acknowledged that the majority of the budget would be spent on training at this stage.

The minutes of the meeting of the Board held on 23 July 2015 were agreed as a correct record.

5 JOINT LOCAL PENSION BOARD

M McCarthy informed the Board that CLG had eventually given approval for the establishment of a Joint Local Pension Board for the South Yorkshire Pension Fund and the South Yorkshire Passenger Transport Pension Fund.

It was noted that the Joint Board still required an employer representative; M McCarthy would liaise with S Carnell, who had recently retired from First South Yorkshire, to try and secure an appointment.

6 LPB CONSTITUTION AND TERMS OF REFERENCE

M McCarthy informed the Board that at its meeting earlier in the day the Authority had agreed to the changes requested by the Board to its Constitution and Terms of Reference, namely:

- That the Board would meet four times per year; and
- That a member of the Board may serve a maximum of two terms of office.

The Constitution and Terms of Reference would be amended accordingly.

7 CORRESPONDENCE RECEIVED REGARDING CONSTITUTION AND TERMS OF REFERENCE

The Board considered a letter that had been received from Unison regarding concerns about the Constitution, in particular Section 4, "Scheme Manager Consents" and a reply to the letter from the Monitoring Officer. Additionally, Unison also felt that substitute members to the Board should also be allowed.

Section 4.1.1 reads:

"The Local Pension Board shall not: question what investment decisions have or have not been made by the Authority or its Boards, for the avoidance of doubt these shall include but not be limited to financial investment decisions and property related investment decisions".

The Chair noted that this matter needed to be considered by the Authority as they had to agree to any changes to the Constitution and commented that the matter had already been discussed several times at Authority meetings.

Whilst it was recognised that there was no intention to prevent open dialogue, the Board felt that the Constitution, with its present wording, imposed prohibitions on the Board and they would like the Constitution to be less restrictive.

After further discussion on the role and remit of the Board, and acknowledging that the response from the Monitoring Officer did offer a degree of reassurance, the Board requested that officers consider re-wording the relevant paragraph.

With regard to substitute members, the Chair reminded the Board that they had agreed at the last meeting of the Board that, as per the Constitution, substitute members were not necessary.

8 ISSUES FOR CONSIDERATION AS A RESULT OF AUTHORITY MEETINGS CONVENED SINCE THE LAST MEETING OF THE LOCAL PENSION BOARD

It was noted that there had only been one Pensions Authority meeting since the last meeting of the Local Pension Board - the Investment Board meeting on 17 September 2015; the Board had no issues arising from this meeting.

Members of the Board would receive agendas and minutes from all Authority/SYPTPF meetings and could raise any issues from the meetings for consideration at the next meeting of the Board. The Chair and Vice-Chair would be involved with the Development of a Work Programme.

9 MEMBER LEARNING AND DEVELOPMENT UPDATE

Members of the Board who had attended the recent training on The Effective Audit Committee remarked how useful it had been and had given an understanding on what the role of the Board should be.

Board members would be invited to training events provided for Authority members and officers were still trying to source external events for Local Pension Board members.

M McCarthy requested that members share any courses, articles etc. that they may come across.

The Chair commented that a presentation on the valuation process and associated issues would be useful.

10 ANY OTHER POINTS OF BUSINESS

The Chair informed members of the Board that the SYPF Annual Fund Meeting would be held at Doncaster Racecourse on 22 October; he encouraged Board members to attend if possible, noting that it was a very worthwhile event.

11 DATE OF NEXT MEETING

The next meeting of the Local Pension Board will be in January 2016 on a date to be arranged.

CHAIR