

# Public Document Pack



## SOUTH YORKSHIRE PENSIONS AUTHORITY

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Diana Terris  
*Clerk*

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 a meeting of the South Yorkshire Pensions Authority to be held at the offices of South Yorkshire Pensions Authority, 18 Regent Street, Barnsley on Thursday 9 June 2016 at 10.15 am for the purpose of transacting the business set out in the agenda.

A handwritten signature in black ink that reads "Diana Terris".

**Diana Terris**  
Clerk

This matter is being dealt with by: Gill Richards  
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Tel: 01226 772806

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## **Distribution**

Councillors E Butler, S Ellis, M Maroof, H Mirfin-Boukouris, K Rodgers, A Sangar, M Stowe, Z Sykes, P Wood, J Wood, R Wraith and K Wyatt

## **Contact Details**

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## **SOUTH YORKSHIRE PENSIONS AUTHORITY**

**9 JUNE 2016 AT 10.15 AM AT THE OFFICES OF SOUTH YORKSHIRE PENSIONS AUTHORITY, 18 REGENT STREET, BARNSELEY, S70 2HG**

### **Agenda: Reports attached unless stated otherwise**

	<b>Item</b>	<b>Page</b>
1	Apologies	
2	Announcements	
3	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.	
4	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).	
5	Declarations of Interest.	
6	Loyal Service Award Scheme	1 - 2
7	Minutes of the Authority meeting held on 17 March 2016	3 - 14
8	Minutes of the Joint Local Pension Board held on 17 March 2016	15 - 18
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10	Section 41 Feedback from District Councils	Verbal Report
11	Government Consultation on LGPS Pooling	Verbal Report

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12	Compliance with the Principles for Investment Governance: Self-Assessment	21 - 22
13	Board Chairs' Reports	Verbal Report
14	Scheme of Delegation to Officers	23 - 42
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17	Webcasting	69 - 70

## SOUTH YORKSHIRE PENSIONS AUTHORITY

9 June 2016

### Report of the Fund Director

## LOYAL SERVICE AWARD SCHEME

### 1. Purpose of the Report

To advise Members that there are five officers who are eligible to receive loyalty awards this year.

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### 2. Recommendation

**Members are recommended to note the report.**

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### 3. Background Information

- 3.1 The Authority agreed in 2011 to introduce a long-service award scheme for its employees having carefully considered the policies of neighbouring authorities.
- 3.2 It was agreed that all employees who have achieved twenty five years of continuous pension service (with the Authority or its predecessors) as at the first day of April each calendar year, would receive a certificate recognising their long service and be presented with £100 worth of retail vouchers.
- 3.3 On this occasion there are five officers who are eligible to receive their vouchers and citation today but one is unable to attend the presentation.

### 4. Implications and risks

- 4.1 Financial: Budgetary provision has been made for these awards.
- 4.2 Legal: None
- 4.3 Diversity: The scheme applies to all staff equally.
- 4.4 Risk: None directly arising from this report.

**J N Hattersley**  
**Fund Director**

**Officer responsible:** Lisa Darrell: SYPA HR

**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:** None

## SOUTH YORKSHIRE PENSIONS AUTHORITY

17 MARCH 2016

PRESENT: Councillor S Ellis (Chair)  
Councillor R Wraith (Vice-Chair)  
Councillors: B Lodge, H Mirfin-Boukouris, K Rodgers,  
A Sangar, M Stowe, B Webster and K Wyatt

Trade Unions: G Warwick (GMB)

Officers: J Hattersley (Fund Director),  
G Chapman (Head of Pensions Administration), and  
I Baker (Pensions Manager) (SYPA) M McCarthy (Deputy  
Clerk), N Copley (Finance Service Director) and M McCoole  
(Senior Democratic Services Officer)

Apologies for absence were received from Councillor E Butler,  
Councillor J Scott, Councillor J Wood, F Tyas, R Askwith,  
A Frosdick, J Bell, B Clarkson and F Foster

1 APOLOGIES

Apologies for absence were noted as above.

2 ANNOUNCEMENTS

None.

3 URGENT ITEMS

Councillor Ellis referred to a request from the Investment Board for the Authority to give consideration to an urgent report entitled 'Climate Change Policy Statement 2016'.

RESOLVED – That Members agreed that the urgent report be taken at Item 18a on the agenda.

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

RESOLVED – That agenda Item 19 entitled 'GMP Reconciliation' be considered in the absence of the public and press.

5 DECLARATIONS OF INTEREST

None.

6 MINUTES OF THE AUTHORITY MEETING HELD ON 14 JANUARY 2016

RESOLVED – That the minutes of the Authority meeting held on 14 January 2016 be signed by the Chair as a correct record.

7 MINUTES OF THE EXTRAORDINARY MEETING HELD ON 11 FEBRUARY 2016

RESOLVED – That the minutes of the Extraordinary Meeting of the Authority held on 11 February 2016 be signed by the Chair as a correct record.

8 WORK PROGRAMME

Members were presented with a copy of the cycle of future meetings work programme to 9 June 2016. Members noted that upon approval of the rolling schedule of meetings, that the work programme would be updated and populated with items for consideration by the Authority and Boards.

RESOLVED – That Members noted the contents of the report.

9 SECTION 41 FEEDBACK FROM DISTRICT COUNCILS

Councillor Ellis commented that the district councils had been kept up to date on the pooling arrangements and that there was a general sense of contentment.

10 CIVICA

Members were provided with a plan of Civica's key deliverables to the Authority, by T Fletcher, I Taylor and A Smith; the plan had been agreed and implemented in November 2015. It was noted that deliveries to address each of the requirements had been made, and a number of the pieces of functionality had been signed off and were in use. Valuations and Annual returns were in the final testing phase; Civica was committed to meeting the customer deadlines. Members were informed that significant performance improvements had been made, and that Civica was continuing to work with South Yorkshire to find further performance gains.

T Fletcher referred to the challenging time that had been encountered by the Authority and Civica during the implementation phase of the system. Civica had shown a level of naivety in taking on a number of implementations with contractual constraints from the Authority's existing system supplier which had resulted in the requirement for 8 sites to 'go live' at the same time. She added that Civica had continued to grow and a structure was now in place; Civica had employed an additional 25 members of staff. Civica had engaged with the Local Government community and objectives had been set for the legislative changes; key objectives had been agreed with the User Group, and investment would continue into the product.

Members noted Civica's key deliverables:-

- The annual allowance development had been delivered on time and was currently being tested by all customers.
- There had been a number of changes to the pension increases to accommodate the negative CARE increases for the year. These had now been completed and delivered, and were being implemented and run by a number of sites.



- The annual returns development had been delivered to a number of test sites, to be delivered to the Authority by the end of March.
- The valuation extract had been completed in a number of phases, to which the Authority had been one of the test sites. This was now in the final test phase before being released.
- The first version of the performance fixes had previously been released and the second version would be released today. Problems had been encountered by the QA Team, which had resulted in the second version being released 3 days later than previously stated.

The Authority noted that work was on track for the transfer of data from the Nottinghamshire Fund, although minor resource problems would be encountered in relation to the Easter holiday period.

Councillor Ellis sought clarification as to whether the annual returns were due for completion for tomorrow.

A Smith commented that the annual returns had been delivered on 9 March, and customer feedback was awaited by 18 March; any arising issues would be resolved in-house, and all sites would 'go live' on 18 March.

Councillor Ellis expressed concern that the Authority had been used as a test site on numerous occasions, that acknowledgement should be made to the Authority's staff for the additional work undertaken, and the learning gained by Civica from the Authority. The Authority wished to continue working with Civica, to limit the damage suffered to date, but Councillor Ellis considered Civica's past learning to have been at the Authority's expense. At the last Authority meeting Civica had been informed on how much the Authority's performance had been affected, together with the reputational damage suffered and the overtime costs incurred in the excess of £50,000, which had not yet concluded.

T Fletcher commented that Civica had supplied pension solutions for 18 years, and that there had been a great deal of growth in the business over the last 2 to 3 years. Civica had become a competitor in the Local Government Pension Scheme market; Civica should have revisited some of the risks and issues for all sites. T Fletcher added that the Authority would continue to see improvements to the system, and that G Chapman and herself would work on efficiencies rather than going down a formal route of compensation costs, to be discussed in further detail.

Councillor Lodge expressed disappointment that the Authority's reputation had been damaged, which would take time to recover, and that staff sickness levels had risen. He added that it was frustrating that one of the release dates within the report had slipped by 3 days.

Councillor Mirfin-Boukouris commented that Civica had not addressed previous concerns. She suggested that Civica provide the Authority with compensation cost proposals to enable a good working relationship moving forwards.

Councillor Sangar commented that the Authority's staff had taken a hit in the level of performance delivered, and that Civica had not provided milestones in terms of performance moving forwards.

T Fletcher referred to Civica's internal team which undertook fortnightly meetings with the 12 Local Government customers, and that weekly updates were despatched on key deliverables; processes were in place to measure Civica's performance; she would ensure that the Authority was included onto the weekly distribution list.

G Chapman commented that the Authority would meet deadlines by the end of the month; the system was now reaching the point where it became under the control of the Authority, and the interaction required with Civica would lessen. The Authority was already in a position to resolve some problems in-house. Once the system was running in the background, the Authority would in a position to develop the system further to meet efficiency requirements. It was vital for the Authority to be able to send out the valuation data in a format that the Actuary could use. It was envisaged that within the next few months, that only work and project issues would be raised at these meetings instead of Civica and UPM issues.

Councillor Rodgers commented that Members, as the board of trustees, had many demands, and that the Local Pension Board would look at this area of performance. Members of the Pension Scheme were interested to know that the scheme was running effectively, and that money was not being spent on staff overtime. There were a total of four main local authorities with over 400 employers including parish councils and schools who expected the Authority to perform well in order to provide the service that they required. Councillor Rodgers expressed concern that issues were still slipping and he considered that Civica should propose a compensation of value, to indicate its commitment to the Authority moving forwards.

T Fletcher commented that discussions would be held in relation to the compensation request, to ensure that the Authority would receive efficiencies; she was confident that an agreement could be reached.

Councillor Ellis commented that the Authority's performance levels were beginning to rise; the Authority had always been a high performing Authority with dedicated staff, and that it was imperative to return to this high level. She added that it was necessary for Civica to provide a good quality product that was delivered on time, with milestones that were delivered on time, and that it was hoped that the improvements made would be built upon. The Authority looked forward to the gesture of goodwill/compensation for Members discussion.

G Chapman commented that he would ensure that Civica came back with a serious compensation proposal to the Authority, to which he would circulate to Members via email for discussion; he would provide Members with an explanation of any technical offering to enable full consideration as to whether the offer was deemed sufficient compensation. He suggested that the Administration Report presented to the Corporate Planning and Governance Board include an explanation on the last quarter in relation to the UPM and Civica relations. It was noted that a member of staff had further developed the system in-house, which had resulted in a cost saving to the Authority; the system was now enabling issues to be completed in time and confidence was starting to grow.

RESOLVED – That the Authority:-

- i) Noted the update.

- ii) Agreed that Civica would provide the Authority with a serious compensation proposal.
- iii) Noted that an explanation on the last quarter, in relation to the UPM and Civica relations, be included within the Administration Report to be presented to the Corporate Planning and Governance Board.
- iv) Would be included onto Civica's distribution list for the weekly updates on key deliverables.

**11 MEMBERS' TRAINING AND EDUCATION: EXTERNAL CONFERENCE**

A report of the Head of Pensions Administration was submitted to bring to Members' attention the 13th Annual LGPS 'Trustees' Conference which was scheduled to take place on 23 to 24 June 2016 at the Mcdonalds Hotel and Spa in Manchester. The conference was expected to be all-inclusive, as in previous years, at a cost of £500 per delegate.

RESOLVED – That Members agreed that two places be booked onto the conference.

**12 PENSIONS ADMINISTRATION STRATEGY**

A report of the Head of Pensions Administration was presented to seek Member approval to the attached draft Pensions' Administration Strategy to become the final version for an implementation from 1 April 2016.

Members noted that the first draft of the proposed Administration Strategy had been presented to the Authority meeting on 14 January; the document had since been amended following suggestions and amendments received from Members. Employers had also been presented with the Strategy at the Authority's annual forum in November 2015, and it had been issued for formal consultation to employers on the following day.

G Chapman commented that prior to 1 April, the article would be published on EPIC, the employers system, and there would be a follow up email. This would be sent to over 1,000 users. There would be further discussions with employers.

RESOLVED – That Members:-

- i) Considered and approved the amendments made since the meeting of 14 January 2016.
- ii) Made any final comments or suggestions on the content and format of the Draft.
- iii) Approved the document, subject to any further commentary, as the final and formal Pensions Administration Strategy for the Authority, and that it be introduced with effect from 1 April 2016.

13 GOVERNMENT CONSULTATION ON INVESTMENT POOLING

J Hattersley referred to the recent Investment Board meeting where Members had been provided with a verbal update on investment pooling. There was no further news.

Members noted that the proposal had been submitted at both Authority and Pool level, and that initial comments from the Government had been expected last week. Work was continuing to move development forward although without guidance from Government there was a real risk of unnecessary effort being expended. With this in mind the preferred pool partner had recently sent a letter to Government seeking clarification over how many legal structures were being considered. Preliminary estimates of the costs to establish pools ranged from £2.5m to £3m per pool.

A date had provisionally been agreed for a meeting to discuss governance issues with fund representatives (two from Chairs, Vice Chairs and Section 151 Officers) in mid-April.

RESOLVED – That Members noted the update.

14 QUARTER 3 PERFORMANCE SNAPSHOT REPORT

Members were presented with a copy of the Business Planning and Performance Framework's Snapshot Report for 2015/16 Quarter 3.

G Chapman referred to a total of 19042 cases that had been processed during the quarter, of which 86.10% had been on target. This had equated to a 24.18% improvement in performance on the previous quarter. There were early signs of a reversion to pre-UPM performance levels.

I Baker commented that it was difficult to forecast when performance levels would return to 99%, as the impact on the annual exercise for the year was unknown, and a number of glitches remained in the system.

Councillor Wraith queried how this would impact upon the Accreditation Award.

G Chapman commented that it was hoped that the issues would not have an effect on the Accreditation Award; an annual review would be undertaken in the next few weeks, prior to the full submission next year.

Councillor Ellis requested G Chapman and I Baker to reflect onto staff the huge milestone achieved in removing the backlog against all of the problems and challenges encountered.

RESOLVED – That the contents of the report be noted.

15 BOARD CHAIRS' REPORTS

Councillor Ellis referred to the additional meetings held during the last quarter in relation to the pooled investment arrangements. It was disappointing that funds still awaited guidance from Government but in the meantime Member and officer relationships were being formed at pool level and these confirmed that negotiations

were being entered into with the best possible attitude. Once the Government had approved the Authority's and Pool submissions work on further detailed negotiation would be delegated to the Investment Board with the Authority updated via minutes and special meetings, where appropriate.

Councillor Ellis commented that J Hattersley had been incredibly flexible in relation to his imminent retirement and had agreed to a phased three month extension. Recruitment advice would be sought from BMBC Human Resources in conjunction with the Treasurer.

16 TREASURY MANAGEMENT STRATEGY STATEMENT 2016/2017

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

The Fund Director referred to the statutory requirements for the Authority to set out a Strategy Statement for the forthcoming financial year. As in previous years it was noted that not all of the legislation which governed councils' treasury functions was applicable to this Authority. However, this year the Authority needed to publish a Minimum Revenue Provision Policy Statement.

Members noted that monies remained outstanding from two UK subsidiaries of Icelandic banks: Heritable and KSF. It was expected that a full recovery would eventually be received from Heritable. The position was less positive in relation to KSF; an additional dividend was due later in March which was expected to bring the recovery up to 83.755p in the pound. Although prospects for recovery stood at approximately 85%, it was going to be some time before the additional monies would be received. The Fund Director was exploring the possibility within the market of selling the claim to that debt.

Councillor Sangar queried the judgement that would be made in selling the debt.

The Fund Director commented that the Heritable debt totalled £38,000 but that the KSF debt was closer to £810,000. There were thought to be 3 brokers interested in buying such claims. The Treasurer had to judge whether or not any received bid offered value given the opportunity costs involved in continuing to hold the claim.

RESOLVED – That the Authority:-

- i) Adopted the Annual Investment Strategy and recommendations set out in Appendix I.
- 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) In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 approved the Minimum Revenue Provision Policy Statement (MRP) outlined in Appendix III.

iv) Agreed to keep the above under review.

17 CONSTITUTION OF THE SOUTH YORKSHIRE JOINT LOCAL PENSION BOARD

A report of the Deputy Clerk was submitted for consideration to the amendments to the Constitution of the South Yorkshire Joint Local Pension Board.

The South Yorkshire Joint Local Pension Board had considered its amended Constitution on 1 October 2015, as approved by the Authority earlier that day. The Chair and Vice-Chair of the Joint Local Pension Board had subsequently met with officers from BMBC's Joint Authorities Governance Unit to discuss the Constitution further.

The Joint Local Pension Board had requested that Sections 4.1.1, 4.1.2 and 4.1.5 be removed from the Constitution, as it was considered that they were not in the spirit of the legislation and could prevent the Joint Local Pension Board fulfilling its role.

Councillor Ellis invited G Boyington, Chair of the Joint Local Pension Board to address the Authority.

G Boyington commented that the Joint Local Pension Board considered it had a harmonious relationship with the Authority. The Board considered that Section 4 of the Constitution was extremely prohibitive, and that the wrong impression could be created by being so restrictive; information should be widely captured, to ensure effective and efficient administration of the scheme.

M McCarthy referred to the early comparative benchmark data that had been released. Other authorities had also chosen to adopt the model framework, and it was anticipated they too would have made slight amendments in one or two areas.

RESOLVED – That Members agreed the suggested amendments as detailed in Section 3.4 of the report.

18 MEETINGS OF THE AUTHORITY AND BOARDS 2016/2017

A report of the Clerk was submitted for Members consideration to the proposed schedule of Authority and Board Meetings during 2016/17.

Members noted that the meetings of the Authority and Boards were currently fixed up to the Annual Meeting on 9 June 2016; additional meetings would be arranged in relation to the pooled investment arrangements.

Councillor Rodgers noted Authority and Investment Board meetings scheduled for 23 June 2016 would clash with the EU Referendum.

M McCarthy commented that Members' availability would be sought to re-arrange the meetings.

RESOLVED – That Members approved the following cycle of meetings for 2016/17, subject to the Pensions Authority and Investment Board meetings scheduled on 23 June 2016 to be re-arranged:-

Pensions Authority	Corporate Planning & Governance Board	Investment Board	LPB
	<b>2016</b>		
	2 June*		
9 June (Annual)**			
23 June*** <b>To be re-arranged</b>		23 June** <b>To be re-arranged</b>	
	20 July****		20 July
		15 September	
6 October			6 October
	20 October		
24 November			
		8 December	
	<b>2017</b>		
12 January			12 January
	16 February		
		9 March	
16 March			16 March
8 June (Annual)			
	1 June		
		22 June	

\* This meeting was originally scheduled for 16 June 2016

\*\* Meeting dates already arranged

\*\*\* Additional meeting of the Authority if necessary to discuss LGPS pooling (prior to the Investment Board) as discussed at the meeting on 11 February 2016.

\*\*\*\* This meeting is on a Wednesday. Member availability has been obtained.

## 18A CLIMATE CHANGE POLICY STATEMENT 2016

A report of the Fund Director was presented to seek Members' approval to publish a Climate Change Policy Statement.

Members noted that a report had been tabled at last week's Investment Board meeting on the outcome of the 2015 United Nations Climate Change Conference, COP21 or CMP 11, held in Paris from 30 November to 12 December 2015. The report had suggested that the Authority might wish to publish a Climate Change Policy Statement and a draft version had been provided for consideration.

Board Members had suggested changes to the draft and a revised version was subsequently circulated to Members and Advisors (1). A further revision was then

suggested (2). It was noted that officers had concerns in relation to the practicality of implementing both versions and their compatibility with the Authority's existing policy of not divesting from positions. Officers suggested a revised version (3).

During an in-depth discussion regarding the three suggested versions Councillor Wyatt referred to a letter received today from the Sheffield Climate Alliance and Councillor Ellis commented that the Advisors had agreed the revised version (3).

Councillor Webster proposed an alternative version of 3, which was seconded by Councillor Sangar. When put to the vote this amendment was not accepted.

Members then approved the adoption of version 3 of the Climate Change Policy Statement.

Councillor Webster requested that the policy be reviewed annually. He also suggested that a copy of the policy should be sent onto the lobbying groups and individuals who had contacted the Authority on the issue. He requested the Board should receive a report on how the policy would be implemented.

RESOLVED – That Members:-

- i) Considered the draft versions of the Climate Change Policy Statement attached to the report.
- ii) Agreed to issue version 3 of the Climate Change Policy Statement.
- iii) Agreed that the Climate Change Policy be reviewed annually.
- iv) Agreed that a copy of the Climate Change Policy be sent onto the lobbying groups and individuals who had contacted the Authority.

19 EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED – That under Section 100(A) 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.

20 GMP RECONCILIATION

A report of the Treasurer was submitted to seek Members approval to appoint ITM Ltd to undertake the stage 2 GMP Reconciliation Service in accordance with Contract Standing Order 3.1(h).

RESOLVED – That Members:-

- i) Considered the contents of the report and approved the award of a contract to ITM Ltd to perform the task of GMP reconciliation in accordance with Contract Standing Order 3.1(h).



- ii) Approved a supplementary estimate in the sum of £99,000 during the 2016/2017 financial year.

CHAIR

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# Agenda Item 8

## SHEFFIELD CITY REGION COMBINED AUTHORITY/SOUTH YORKSHIRE PENSIONS AUTHORITY

### JOINT LOCAL PENSION BOARD

17 MARCH 2016

PRESENT: G Boyington (Scheme Member) (Chair)

G Berrett (Employer, SYP), K Morgan (UCATT), 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), G Richards (Democratic Services Officer) and I Baker (Pensions Manager SYPA)

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

#### 1 WELCOME AND APOLOGIES

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

Apologies were made regarding the late start to the meeting; the preceding Pensions Authority meeting had lasted longer than anticipated due to long debates around the Civica administration system and the Authority's Climate Change policy. Officers would strive to better "guesstimate" the length of preceding meetings to avoid LPB members having a lengthy wait before meetings.

#### 2 DECLARATIONS OF INTEREST

None.

#### 3 MINUTES OF THE MEETING HELD ON 14 JANUARY 2014 AND MATTERS ARISING

With regard to minute 3, the Board was informed that earlier in the day, the Pensions Authority had approved the requested amendments to the Boards' constitution. Subject to SCRCA also agreeing the constitution would be updated accordingly.

With regard to the review of the Risk Management Policy and Risk Register, M McCarthy informed the Board that A Hunt, Risk and Governance Manager at Barnsley MBC, had met with J Hattersley and G Chapman to discuss SYP's requirements and to ensure a proportionate approach.

Further work was now ongoing to develop draft Risk Management Policy and Risk Register for submission to a future SYPA meeting. The planned Risk Workshop had not taken place due to time constraints, but Members of the Board would be kept up to date and comments and suggestions sought before the updated documents were presented to SYPA for approval. If necessary, an extra meeting of the LPB could be arranged to discuss the matter in more detail.

A Hunt would be invited to a future meeting of the Board to discuss risk management in detail with Members.

The minutes of the meeting of the Board held on 14 January 2016 were agreed as a correct record.

#### 4 WORK PROGRAMME

The Board considered its Work Programme.

G Berrett commented that the Work Programme should reflect the Boards Terms of Reference so the Board could be confident that it was able to fulfil its role.

The Chair commented that it would be useful to look at the Work Programmes for the two Authorities (and Boards) and mirror this in the Board's Work Programme to enable the Board to make timely comments on current issues.

Officers kept Members up to date between meetings by email and the supply of links to all meeting agendas; S Ross commented that the minutes on the Authorities website provided a good overview of current issues.

It was agreed that the Work Programme be developed further for the next meeting of the Board.

#### 5 PENSIONS AUTHORITY MEETING CYCLE

Members considered the 2016/17 Pensions Authority meeting cycle which had been approved by the Authority at its meeting earlier in the day.

The Board agreed to continue holding their meetings after meetings of the Authority or its Boards.

It was noted that the meeting of the Investment Board scheduled to be held on 23 June 2016 would have to be rescheduled due to a clash with the EU Referendum.

Joint Local Pension Board meeting dates were confirmed as:

20 July 2016  
6 October 2016  
12 January 2017, and  
16 March 2017.

**6**     ADMINISTRATION STRATEGY

The Board considered the Pensions Administration Strategy which would be introduced by SYPA on 1 April 2016 and implemented on a phased basis. It was hoped that SCRCA would approve its adoption from 1 May 2016.

J Thompson commented that the Action Housing management team had welcomed the strategy.

The Board discussed the implications of the announcement in the recent Budget that all schools would become academies by 2020. The Board commented that a strategy and plan would need to be in place to accommodate the possibility of hundreds of new employers, making it clear what was expected of them and the position on any deficits.

G Chapman agreed, informing the Board that a system was already in place which would be reinforced by the Pensions Administration Strategy.

A report on how the Authority planned to deal with the situation would be submitted to the Pensions Authority in due course; the Local Pension Board would be kept up to date with the situation and asked to comment where appropriate.

**7**     INVESTMENT POOLING UPDATE

J Hattersley confirmed to the Board that the Authority's preferred investment pool was Border to Coast (B2C) which comprised of Bedfordshire, Cumbria, Durham, East Riding, Lincolnshire, North Yorkshire, Northumberland, South Yorkshire, South Yorkshire Passenger Transport Fund, Surrey, Teesside, Tyne and Wear and Warwickshire. The pool would have combined assets of approximately £36 billion. Within the pool, South Yorkshire and Tyne and Wear were the largest with SY Passenger Transport Fund being by far the smallest. South Yorkshire, East Riding and Teesside had a degree of internal management.

A response to the Government's consultation had been submitted at both Authority and Pool level by the deadline of 19 February 2016. Government's response to the proposal was still awaited.

Guidance regarding the legal structure of pools was still outstanding. B2C was likely to use the Authorised Contractual Scheme and joint committee approach if agreed by Government.

Some pools were discussing with each other a joint approach with regard to infrastructure investment.

The Board were informed that establishment costs estimates would not be less than £150,000 per fund. This caused concerns for smaller funds, like the SY Passenger Transport Fund, especially since their largest allocation of fund assets would likely be held outside the pool.

S Ross queried whether there was any provision for government assistance for these large costs. J Hattersley replied that the government had made it clear from the outset that funds would have to bear all costs.

The Chair commented that there seemed to a lot of unanswered questions especially considering the tight timetable and queried whether the costs involved would have any impact on members' benefits.

J Hattersley replied that benefits were statutory but there might, eventually, be an increase in employers' contributions, albeit minor.

Officers would keep the Board up to date on any future developments.

## 8 EXTERNAL AUDIT ARRANGEMENTS

The Board considered a report which informed them of the external audit arrangements following the closure of the Audit Commission on 31 March 2015. The local government contracts had recently been extended to cover the audits for the 2017/18 financial year. This meant that the Authorities would need to appoint their own auditor with effect from the 2018/19 financial year.

The SYPA Corporate Planning and Governance Board had considered the report, along with the attached KPMG paper, at its November meeting; SCRCA Passenger Transport Fund Committee in September. The selection of the external auditor had been added to SYPA Work Programme for 2016/17.

SYPA would be developing a strategy for the appointment of the external auditor which LPB members could be involved with.

A Member questioned the audit arrangements for the Local Pension Board. The Board were informed that officers had asked both CLG and the LGA for guidance and had been advised that it was up to administering authorities to satisfy themselves with regard to the LPB budget.

The Chair commented that with such a small budget it would not be worth appointing an external auditor; internal audit would be sufficient.

G Berrett agreed that it would not be proportionate and suggested that the Board should be monitoring its own budget with a simple budget monitoring report submitted to each meeting.

RESOLVED - That a Budget Monitoring report be submitted to each meeting of the Local Pension Board.

CHAIR

## South Yorkshire Pensions Authority – cycle of future meetings

### Authority Meetings

<b>Agendas</b>	<b>9 June 2016 AGM</b>	<b>9 June 2016 Ordinary Meeting</b>	<b>6 October 2016</b>	<b>24 November 2016</b>
<b>Strategic Overview of Business</b>		Verbal update on matters arising since last meeting	Verbal update on matters arising since last meeting	Verbal update on matters arising since last meeting
		S41 Feedback	S41 Feedback	S41 Feedback
<b>Board Scrutiny</b>		Call-Ins	Call-Ins	Call-Ins
<b>Review of Strategies</b>		Local Pension Board		Annual Review of Risk Management Policy
			Actuarial Valuation 2016 Update	
		Government Consultation on LGPS Pooling	Government Consultation on LGPS Pooling	Government Consultation on LGPS Pooling
		Members Self-Assessment Report	Qtr 4/Qtr 1 Performance Snapshot Report	Qtr 2 Performance Snapshot Report
			Member Development Annual Update	
			CP&GB Audit Committee Functions Annual Report	
<b>Business</b>	Appointment of Chair and Vice Chair	Loyalty Awards	Board Chairs' Reports	Board Chairs' Reports

	<b>9 June 2016 AGM</b>	<b>9 June 2016 Ordinary Meeting</b>	<b>6 October 2016</b>	<b>24 November 2016</b>
<b>Business</b>	Membership of the Authority	Board Chairs' Reports	Annual Benefit Statements	Budgets and Revised Estimates
	Appointment of Boards and Committees	Scheme of Delegation	SYPF Annual Fund Meeting	FoIA Annual Report Publication Scheme
	Questions in Meetings of District Councils	Contract Standing Orders		SYPF Annual Fund Meeting
	Appointment of Member to lead training	LGPS Current Issues (Mercers)		
		Webcasting		
<b>Training &amp; Development</b>				



## SOUTH YORKSHIRE PENSIONS AUTHORITY

9 June 2016

### Report of the Clerk

#### COMPLIANCE WITH THE PRINCIPLES FOR INVESTMENT GOVERNANCE: SELF ASSESSMENT

1) Purpose of the report

To inform Members of the outcome of the self-assessment against the Principles for Investment Governance

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2) Recommendations

- a) **That the Authority notes the contents of the report.**
  - b) **That the Authority agrees to review this process when the new Regulations are finalised.**
  - c) **That the Authority agree to any development needs arising from the results.**
- 

3) Background Information

- 3.1 Members adopted a system of self-assessment in October 2011 and agreed to use a template to gauge compliance.
- 3.2 Members received individual copies in January 2016 and were asked to retain them until the end of the financial year (March 2016) and return them, duly completed, to the Clerk.
- 3.3 Twelve forms were issued and ten were returned; this was the same as the previous year.
- 3.4 The self-assessment was divided into three separate forms and not all members were required to complete all three. The assessments were: assessment of Authority Members (Form 1); assessment of the Board Chair by Members of the Investment Board (Form 2, Part A); assessment of the Independent Investment Advisors by the Members of the Investment Board (Form 2, Part B); assessment of the Board Chair by the Members of the Corporate Planning and Governance Board (Form 3)
- 3.5 The scoring mechanism used is a range of 1-5 as follows:  
1 Poor; 2 Satisfactory; 3 Good; 4 Very Good and 5 Excellent.

4) Results

- 4.1 In relation to the assessment of the Authority Members, scores ranged from Satisfactory to Excellent. In the main, scores were either Very Good or Excellent and therefore no areas of concern were raised and no development needs identified.

- 4.2 In relation to the assessment of the Board Chair by the Members of the Investment Board, scores ranged from Good to Excellent with the majority falling into the Very Good category.
- 4.3 In relation to the assessment of the Independent Investment Advisors by the Members of the Investment Board, scores again ranged from Good to Excellent with the majority falling into the Very Good category.
- 4.4 In relation to the assessment of the Board Chair by the Members of the Corporate Planning and Governance Board, scores again ranged from Satisfactory to Excellent, although it is fair to say that most criteria achieved a score of Very Good.

5. Development Needs

There appears to be no immediate development needs arising from the self-assessment.

6. Future Arrangements

Members will recall that the government consultation on the “Local Government Pension Scheme: Revoking and Replacing the Local Government Pension Scheme (Management and Investment of Funds) 2009” removed the need for self-assessment against the Principles for Investment Governance stating that “authorities should still have regard to the guidance”. The Authority will no doubt wish to maintain a process whereby they periodically self-assess against a check list to ensure they are maintaining high standards in the execution of their statutory responsibilities. It is suggested that when the new Regulations are published the Authority carries out a thorough review of the self-assessment process.

7. Implications

There are no direct financial, legal or diversity implications with this report.

There may be some reputational risk implications in relation to the quality of internal governance if results are not reported and acted on appropriately.

D Terris  
Clerk

Officer responsible:  
G Richards  
Democratic Services Officer  
01226 772806

Background papers used in the preparation of this report are available for inspection at the offices of South Yorkshire Pensions Authority, 18 Regent Street, Barnsley.

## SOUTH YORKSHIRE PENSIONS AUTHORITY

9 JUNE 2016

### Report of Clerk

## SCHEME OF DELEGATION TO OFFICERS

### 1. Purpose of the Report

To update the chapter relating to the Scheme of Delegation to Officers in the Constitution following the changes to the roles of senior officers of the Authority and to amend certain discretionary limits.

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### 2. Recommendations

**Members are asked to approve the revised Scheme of Delegation.**

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### 3. Background Information

- 3.1 Following the changes that took place to the senior management structure of the Authority during 2011 Members approved a revised Scheme of Delegation to Officers in June 2013.
- 3.2 The Scheme of Delegation to Officers forms Part 3 of the Authority's Constitution. It was reviewed during 2014 as the new management arrangements bedded in. As part of the review the opportunity has been taken to update write-off limits and to clarify the internal lines of responsibility.
- 3.3 During the review reference was made to the practices adopted by other authorities: in particular with those adopted by South Yorkshire Fire and Rescue Authority.

### 4. Implications and risks

#### 4.1 Financial

There are no costs linked to this report although improved procedures should result in better time efficiencies.

#### 4.2 Legal

Other than the changes identified there are no other immediate legal implications.

#### 4.3 Diversity

There are no diversity implications.

#### 4.4 Risk

There are no risk implications.

#### **D Terris Clerk**

Officers responsible:

A Frosdick, Monitoring Officer  
J N Hattersley, Fund Director

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: None

<p><b>PART 3 - SCHEME OF DELEGATION TO OFFICERS</b></p>
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DRAFT

Date Approved:	2006
Date Revised:	June 2008; June 2010; June 2013; June 2014
Date of Next Review:	to be agreed
Responsible Officer:	A Frosdick

## **SECTION A**

### **1 ADOPTION**

- 1.1 This Scheme of Delegation (“the Scheme”) was approved by the Authority on the 20 June 2013. It is a key element of the Authority’s internal control arrangements. The Scheme is reviewed annually.

### **2 DEFINITIONS AND INTERPRETATION**

- 2.1 For the purposes of the Scheme the following expressions shall have the meanings described in this Section.

“Divisions” Means the Investment Division and the Pensions Administration Division

“The Clerk” Means the Clerk

“The Treasurer” Means the Treasurer

“Monitoring Officer” Means the Monitoring Officer

“Head of Service” Means the Fund Director

- 2.2 A reference to any enactment shall be deemed to include a reference to any amendment or re-enactment of the same.

- 2.3 Any officer can decline to exercise the powers delegated under this Scheme in particular circumstances and refer any such matter to the Authority (or Board as appropriate) for decisions or approval.

- 2.4 In the event of any question arising concerning the interpretation and application of this Scheme, the Clerk, in consultation with the Monitoring Officer, shall determine the issue.

- 2.5 For the avoidance of doubt, where a power or duty or authority is exercisable by an officer within these Delegations, that officer is hereby given authority to further delegate such power, duty or authority to any other officer he may nominate, in the interests of the Authority or for the better performance of any such power, duty or authority.

### 3 COMPLIANCE

3.1 The exercise of any delegated power under this Scheme is subject to:-

- (i) expenditure being within the approved revenue estimates or having received the prior approval of the Authority; and
- (ii) compliance with any relevant statutory enactment; Code of Practice; the Authority's Standing Orders, Financial Regulations and Financial Instructions; and any relevant Authority Plans and Policies.

### 4 RECORDS

4.1 An officer who has made a decision in accordance with powers delegated under this Scheme shall record the decision in writing and make the record available for inspection as required.

### 5 PUBLIC INSPECTION

5.1 Copies of this Scheme, the Authority's Standing Orders and Financial Regulations can be viewed on the Authority's website at [www.southyorks.gov.uk](http://www.southyorks.gov.uk). Copies of these documents can also be inspected during the office hours of 11.00 am to 4.00 pm, Monday to Friday at the Authority's offices at 18 Regent Street, Barnsley, South Yorkshire S70 2HG.

## **SECTION B**

### **POWERS DELEGATED TO THE CLERK AND THE TREASURER**

#### 6 GENERAL

- 6.1 The Clerk is the Clerk to the Authority appointed under Section 34(8) of the Local Government Act 1985.
- 6.2 The Treasurer is the officer appointed by the Authority to be responsible for the proper administration of the Authority's financial affairs in accordance with Section 73 of the Local Government Act 1985.
- 6.3 The Fund Director is the Head of Service for the Divisions: Investments and Pensions Administration.
- 6.4 To facilitate the performance of the roles and responsibilities referred to in paragraph 6.1, the Clerk is authorised to discharge the functions and powers listed below in addition to the officers specified in the Sections referred to:
- Section C - Staffing and Conditions of Service in their application to the Fund Director save in respect of matters reserved to the Authority (appointment, grievance appeals, termination of employment and terms of any compromise agreement)
  - Section D - Pensions Investment
  - Section E - 13.2 - Pensions Administration
- 6.5 The Clerk is authorised by the Authority to give a direction in special circumstances that any officer shall not exercise a delegated function in any particular case.

#### 7 PROPER OFFICER

- 7.1 The Clerk is authorised to act as the Authority's Proper Officer for all purposes in relation to:-
- (a) The following provisions in the Local Government Act 1972:-
- (i) Schedule 12 (meetings and proceedings of local authorities)
- signature of summons to Authority meetings
  - receipt of notices regarding the address to which a summons to meeting is to be sent
- (ii) Sections 100(B)(2) and 100(B)(6) (circulation of reports and agendas)



- (iii) Section 100(B)(7)(c) (supply of papers to the press)
  - (iv) Section 100(C) (summaries of minutes)
  - (v) Section 100(D)(1)(a) and 100(D)(5) (compilation of lists and identification of background papers)
  - (vi) Section 100(F)(2) (papers not open to members)
  - (vii) Section 115 (accountability of officers)
    - responsibility for the receipt of money due from officers
  - (viii) Section 223(1) (authorisation of officers in proceedings)
  - (ix) Section 255 (deposit of documents with proper officer of the Authority etc)
  - (x) Section 229 (photographic copies of documents)
    - certification of photographic copies of documents
  - (xi) Section 234 (authentication of documents)
- (b) The Clerk is the Authority's Proper Officer for the purposes of Section 2(4) of the Local Government and Housing Act 1989 (deposit of list of politically restricted posts)

7.2 The Monitoring Officer is the Authority's officer responsible for safe custody of the Common Seal of the Authority, for deciding which documents should be under seal and to which the Common Seal is affixed and attesting the affixing of the Common Seal in accordance with the Authority's Contract Standing Orders.

### 7.3 Deputies

In the event of the Clerk's office being vacant or if he/she is absent or otherwise unable to act the following officers are authorised to act as the proper officer for the purposes set out in paragraphs 7.1(a) and (b):

- (i) the Monitoring Officer
- (ii) the Treasurer
- (iii) the Deputy Clerk

In the event of the Monitoring Officer being absent or otherwise unable to act the Deputy Monitoring Officer is authorised to act as the proper officer for all purposes set out in paragraph 7 for which the Monitoring Officer is authorised to act.

## SECTION C

### THE FUND DIRECTOR - DELEGATED POWERS

8 In discharging the functions conferred by this Section the Fund Director is authorised to nominate one or more officers to act on his/her behalf. The Fund Director shall maintain a record of all nominations.

#### 9 STAFFING AND CONDITIONS OF SERVICE

9.1 For all categories of staff to determine all matters relating to:-

- (i) the recruitment, selection and appointment of employees;
- (ii) implementation of national and local agreements;
- (iii) all payments to employees;
- (iv) the granting of appropriate increments in career grade and examination success schemes;
- (v) the filling of all temporary vacant posts;
- (vi) the operation of arrangements relating to hours of work, annual and other leave and time off for employees;
- (vii) the training and development of employees;
- (viii) the health, safety and welfare of employees;
- (ix) the operation of procedures relating to consultation;
- (x) payments in respect of damage to, or loss of employees personal property;
- (xi) the entering into compromise agreements with employees;
- (xii) the determination of grievances in accordance with agreed procedures;
- (xiii) (a) Suspension and/or disciplinary action, including dismissal of employees in accordance with agreed procedures.  
(b) Suspension and/or disciplinary action shall only be taken following consultation with the Clerk (or his/her nominated representative).

9.2 The Fund Director is authorised to:-

- (i) approve re-grading applications in consultation with the Clerk following a formal job evaluation process;
- (ii) approve applications for early retirement under the Authority's Selective Early Retirement Scheme in consultation with the Chairman of the Authority; and

- (iii) determine appeals from employees against the imposition of the disciplinary sanctions - recorded oral warnings, written warnings and final written warnings. (Appeals against dismissal are heard by the Management Committee).

10 GENERAL

- 10.1 The provision of reasonable and appropriate hospitality for official visitors.
- 10.2 Approval of the use of purchasing cards in accordance with procedures approved by the Treasurer.

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## SECTION D

### PENSIONS INVESTMENT - DELEGATED POWERS

#### 11 FUND DIRECTOR – DELEGATED POWERS

- 11.1 (a) In accordance with the asset allocation strategy determined by the Authority and, subject to such consultations as the Fund Director may deem appropriate, the allocation of all monies accruing to the Pension Fund which are not required for payment of benefits for investment in accordance with the approved benchmark and investment policy including treasury management functions.
- (b) To appoint brokers and award contracts in accordance with Contract Standing Orders.
- (c) To execute votes in accordance with the Authority's agreed policy.
- (d) To attend as the Authority's representative at the meeting of any company in which the Authority has a beneficial interest or any meeting of any class of members of such a company as the Authority's representative for the purposes of the Companies Act.
- (e) To act as the Authority's representative on companies and committees including acceptance of directorships as appropriate.
- (f) To charge interest under Regulation 44 of the LGPS (Administration) Regulations 2008 on employers or other administering authorities on late payments due under the Fund.
- (g) Property Investment

The Fund Director is responsible for the management of the Pension Fund Property Portfolio in accordance with the strategy set by the Authority and, subject to Contract Standing Orders and Financial Regulations of the Authority, and obtaining appropriate legal advice from the Authority's solicitor(s). Delegated powers:-

- (i) the negotiation and acceptance of terms for the acquisition and disposal of land and buildings;
- (ii) the negotiation and acceptance of terms for the granting, renewing, reviewing, varying or assignment of leases, underleases, tenancies, licences, and any other interest in the Fund property;
- (iii) preparation and implementation of schemes for works of modernisation, improvements, maintenance and repair of the Fund property together with the invitation and acceptance of tenders and the authorisation of expenditure on such works;
- (iv) the appointment and supervision of managing agents and professional advisors (including solicitors) necessary for the effective management of the Pension Fund Property Portfolio;
- (v) the collection of all rents, service charges, insurance premiums and any other monies arising out of the Pension Fund Property Portfolio;

- (vi) the signature of agreements and making arrangements for the execution of documents under seal; (documents under seal are to be executed by one of the officers authorised under Procedural Standing Order No. 31);
  - (vii) dealing with health and safety matters in association with investment properties.
- (h) The authorisation and execution of documents relating to the exercise of the powers and duties delegated to him/her.
- (i) The powers and duties delegated shall be exercised in accordance with internal control arrangements specified by the Clerk and by the Treasurer.

#### 11.2 HEAD OF INVESTMENT – DELEGATED POWERS

- (a) Whenever the office of Fund Director is vacant or he/she is for any reason unable to act the investment powers and duties delegated to the Fund Director may be exercised by the Head of Investment.
- (b) Investing in accordance with the benchmark set by the Authority.
- (c) Appointment of brokers.
- (d) The authorisation and execution of documents relating to the exercise of the powers and duties delegated to him/her. (Documents under seal are to be executed by one of the officers authorised under Procedural Standing Order No. 31).
- (e) The powers and duties delegated shall be exercised in accordance with internal control arrangements specified by the Clerk and by the Treasurer.

#### 11.3 HEAD OF FINANCE – DELEGATED POWERS

- (a) Whenever the office of Fund Director is vacant or he/she is for any reason unable to act the treasury management powers and duties delegated to the Fund Director and those referred to under paragraph 15.6 may be exercised by the Head of Finance.
- (b) The authorisation and execution of documents relating to the exercise of the powers and duties delegated to him/her. (Documents under seal are to be executed by one of the officers authorised under Procedural Standing Order No. 31).
- (c) The powers and duties delegated shall be exercised in accordance with internal control arrangements specified by the Clerk and by the Treasurer.

#### 11.4 PRINCIPAL INVESTMENT MANAGER(S) - DELEGATED POWERS

- (a) Investing in accordance with the benchmark set by the Authority.
- (b) The authorisation and execution of documents relating to the exercise of the powers and duties delegated to him/her. (Documents under seal are to be executed by one of the officers authorised under Procedural Standing Order No. 31).
- (c) The powers and duties delegated shall be exercised in accordance with internal control arrangements specified by the Clerk and by the Treasurer.

## SECTION E

### PENSIONS ADMINISTRATION- DELEGATED POWERS

#### **12 GENERAL**

12.1 The following references are used throughout this section:

- “R Regs” - The Local Government Pension Scheme Regulations 2013
- “TP Regs” – The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014
- “A Regs” - The Local Government Pension Scheme (Administration) Regulations 2008 (as amended)
- “B Regs” - The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended)
- “T Regs” - The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (as amended)
- “1997 Regs” - The Local Government Pension Scheme Regulations 1997 (as amended)
- “1995 Regs” - The Local Government Pension Scheme Regulations 1995 (as amended)

#### **12.2 Head of Pensions Administration**

To deal with the following benefits and contributions matters in relation to the funds managed by the Authority.

- i. In consultation with the Chair and Vice-Chair, the making, or terminating, of admission agreements with bodies falling within the scope of Regulations 3 and Schedule 2 Part 3 of the R Regs.
- ii. The exercise of discretion under Regulation 40, 43, 46, and 82 of the R Regs, and Regulation 17 of the TP Regs regarding the payment of death grants in respect of deceased scheme members.
- iii. The exercise of discretion under Regulation 17 of the R Regs, regarding the payment of AVC funds in respect of deceased scheme members.
- iv. The exercise of discretion under Schedule 1 of the R Regs in determining eligibility of a dependent child who commences full time education or training after the date of the members death.
- v. The exercise of discretion under Schedule 1 of the R Regs in respect of breaks in education or training for the purposes of deciding if a person can be regarded as a child.
- vi. The commutation of certain small pension benefits to single lump sum payments so as to discharge future liability for payments, in accordance with Regulation 34 of the R Regs.
- vii. The commutation of pensions in exceptional circumstance of ill-health as provided by Regulation 50 of the 1997 Regs (as permitted by Schedule 1 of the T Regs).

- viii. Obtaining revisions to a rates and adjustments certificate in circumstances falling within Regulation 64 of the R Regs.
- ix. The determination under Regulation 69 of the R Regs, of intervals for the payment (inclusive of accompanying information) of employee and employer contributions to the Fund, and costs arising from certain retirements types, under Regulation 68 for the R Regs and Schedule 2 of the TP Regs.
- x. The determination under Regulation 72 of the R Regs of the amount of any benefit that may be payable to a person out of the pension fund, in addition to various matters in relation to new contributors concerning previous service and additional pension.
- xi. The approval under Regulation 36 of the R Regs of medical practitioners to be used by Fund employers in making decisions on entitlement to ill-health retirement.
- xii. The transfer under Regulations 93 and 94 of the R Regs, to an employing authority from the Fund, of sums to compensate for loss caused by a former member's misconduct.
- xiii. The payment of transfer values under Regulations 96, 98 and 99 of the R Regs.
- xiv. The acceptance of transfer values under Regulation 100 of the R Regs.
- xv. In accordance with Regulation L147 of the 1995 Regs (as permitted by Schedule 1 of the T Regs) to determine how to discharge Pension Credit liability.
- xvi. In accordance with Regulation 49 of the R Regs, to decide, in the absence of an election from a scheme member, which benefit is to be paid where that member would be entitled to a benefit under more than one regulation in respect of the same period of membership.
- xvii. The approval of applications for the reinstatement of spouse's pensions under Regulation F7 of the 1995 Regs in the following circumstances:-
  - If a spouse has remarried and that marriage has ended; or
  - If a spouse has been cohabiting outside marriage and that cohabitation has ended
- xviii. The exercise of discretion on the extension of statutory time limits in respect of various applications made by employees and beneficiaries as provided in the Regulations.
- xix. In accordance with Regulation 80 of the R Regs and Regulation 22 of the TP Regs, to specify the information to be supplied by employers to enable SYPA to discharge its functions.
- xx. The exercise, on behalf of a deceased member, of an election, under Regulations 3, 4, 8, 10, and 17 of the TP Regs, and Regulation 10 of the B Regs to use pensionable pay determined from an earlier period for calculating scheme benefits.

- xxi. The exercise of discretion, under Regulation 83 of the R Regs, whether a child's pension should be paid to a person other than the child subject to direction that it is to be used solely for the child's benefit.
- xxii. To exercise the discretion to require a medical, to turn down on medical grounds, or determine where a lump sum payment instead of regular payments is required, in respect of a members election under Regulation 16 of the R Regs.
- xxiii. Where the scheme employer is defunct, to exercise the discretion over early release of benefits under Regulation 38 of the R Regs and earlier extant regulations as they relate to the release of deferred benefits on medical grounds where there is no cost to the Authority.
- xxiv. To decide evidence required to determine eligibility to benefit of a cohabiting partner under Schedule 1 of the R Regs and Regulation 17 of the TP Regs.
- xxv. To decide whether to recover additional costs incurred as a result of the level of employer performance under Regulation 71 of the R Regs and Regulation 22 of the TP Regs.
- xxvi. To determine whether to charge interest on overdue payments from employers under Regulation 71 of the R Regs.

### **12.3 Internal Dispute Resolution Procedure - Stage 1**

The Head of Pensions Administration to deal with Stage 1 appeal decisions under the Internal Dispute Resolution Procedure (appeals against decisions of the Authority as an Employing or Administering Authority).

### **12.4 Internal Dispute Resolution Procedure - Stage 2**

The Fund Director to deal with Stage 2 appeal decisions under the Internal Dispute Resolution Procedure (appeals against decisions of employers and decisions taken on behalf of the Authority as an Administering Authority).

### **12.5 Pensions Regulator**

The Head of Pensions Administration to deal with all matters requiring direct contact with the Pensions Regulator acting in the latter's capacity as the regulatory authority under the Public Service Pensions Act 2013 and especially regarding the provision of statutory data and information, notification of breaches and compliance with the law reporting retrospectively to the Authority at the first opportunity.

### **12.6 Fund Director**

Whenever the office of Head of Pensions Administration is vacant or he/she is for any reason unable to act the benefits and contribution matters delegated to the Head of Pensions Administration in paragraphs 12.2 and 12.5 above may be exercised by the Fund Director or his nominee.



## **SECTION F**

### **LEGAL PROCEEDINGS - DELEGATED POWERS**

#### 13 GENERAL

##### 13.1 **The Clerk**

- (i) To institute, defend or participate in any legal proceedings in any case where either the institution or defence of such proceedings is necessary to give effect to decisions of the Authority or of any Board, or Officer acting under delegated powers as in any case where the Clerk considers that the institution or defence of, or participation in proceedings is necessary to protect the Authority's interests.
- (ii) To settle claims not exceeding £20,000 and in urgent circumstances claims exceeding £20,000. Details of claims exceeding £20,000 are to be reported retrospectively to the Authority at the first opportunity.
- (iii) To sign documents in connection with legal proceedings/procedures on behalf of the Authority.
- (iv) To instruct Counsel and external solicitors as appropriate.
- (v) To authorise officers not being solicitors to appear on the Authority's behalf before a Magistrates' Court subject to report to the Authority.

##### 13.2 **The Monitoring Officer**

To exercise the powers delegated to the Clerk under paragraph 13.1 on:-

- (i) Being authorised or instructed by the Clerk or by the Treasurer; and
- (ii) In the circumstances where the office of the Clerk is vacant or he/she is absent or otherwise unable to act for any reason.

##### 13.3 **The Fund Director**

To exercise the powers delegated to the Clerk under paragraph 13.1:-

- (i) Appertaining to securities class actions or class action claims relating to investments held by the Fund; and
- (ii) Appertaining to litigation relating to investments held by the Fund;
- (iii) Appertaining to litigation concerning taxation matters including Value Added Tax, tax suffered upon dividends and Income Tax suffered by or appertaining to the Fund and its investment holdings.

## **SECTION G**

### **MONITORING OFFICER - DELEGATED POWERS**

#### 14 GENERAL

- 14.1 The Monitoring Officer is the officer designated by the Authority to perform the functions of the 'Monitoring Officer' under Section 5 of the Local Government and Housing Act 1989 ("Section 5").
- 14.2 In accordance with the provisions of "Section 5" the Monitoring Officer is required to prepare a report to the Authority if at any time it appears to him/her that any proposal, decision or omission by the Authority, by any Board of the Authority, or by any person holding office or employment under the Authority has given rise to or is likely to or would give rise to:-
- (a) a contravention by the Authority; by any Board; by an person holding any office or employment under the Authority of any enactment or rule of law; or
  - (b) any such maladministration as is mentioned in Part III of the Local Government Act 1974.
- 14.3 In performing the duty conferred by "Section 5" the Monitoring Officer will take account of reports made as a particular matter by any other officer and whether a matter is being resolved by other means including other reporting procedures.
- 14.4 The Monitoring Officer, in performing the duties as arising under "Section 5", is authorised to incur expenditure where this is necessary in seeking advice from outwith the Authority. Where the expenditure is likely to exceed £20,000, Authority approval must be obtained.
- 14.5 The Monitoring Officer has nominated the Deputy Monitoring Officer to perform the functions under "Section 5" when he is unable to act owing to absence or illness.

## SECTION H

### TREASURER - DELEGATED POWERS

#### 15 GENERAL

- 15.1 The Treasurer's responsibilities as Treasurer are covered in the Authority's Financial Regulations.
- 15.2 The Treasurer as the officer responsible for the proper administration of the Authority's financial affairs for the purposes s.73 of the Local Government Act 1985.
- 15.3 The Treasurer is the officer responsible for the discharge of the Authority's duty to maintain an adequate and effective system of internal audit as required under Accounts and Audit Regulations 2011.
- 15.4 The Treasurer is authorised to enter into agreements for the transfer of credit approvals where appropriate for revenue estimates, capital programme and precepts.
- 15.5 The Treasurer is the officer responsible for exercising the functions under Section 114 of the Local Government Finance Act 1988 (reports relating to unlawful expenditure) and where he/she is unable to act owing to absence or illness section 2.5 applies.
- 15.6 The Treasurer is responsible for treasury management activities governed by Section 12 of Part I, Chapter I of the Local Government Act 2003 ("the Act") or similar and for investment activities relating to any purposes relevant to its functions under any enactment and for the purposes of the prudent management of its financial affairs and has nominated the Fund Director to perform the functions under Section 12 when he/she is unable to act owing to absence or illness.
- 15.7 The Treasurer is responsible for transfers to and from Reserves subject to the approval limitations referred to in Financial Regulation 4.7(a) and will be governed by policies approved by the Authority.

## SECTION I

### MISCELLANEOUS DELEGATED POWERS TO THE CLERK

#### 16 GENERAL

##### 16.1 a. **Press and Publicity**

- i. Press and publicity and public relations on matters concerning the Authority.
- ii. The handling of issues relating to the Commission for Local Administration.

##### b. **Freedom of Information Act – Internal Review Procedures**

- i. The Clerk, the Deputy Clerk and the Monitoring Officer are authorised to determine appeals under the Freedom of Information Act in accordance with the Authority's agreed internal review procedure.
- ii. Determination of charges payable for providing information in accordance with the Freedom of Information Act 2000 vests with the Fund Director.

##### c. **Conferences**

The Clerk is authorised to approve member's attendance at Conferences in consultation with the Chairman if required in advance of Authority meetings and to report to the next available meeting in accordance with the criteria set out below.

Attendance at conference and seminars also contributes towards development. It is not always possible to determine in advance (i.e. during this process) what conferences and seminars will be appropriate and/or available. Therefore, the attendance of Members at conferences will be delegated to the Clerk, in consultation with the Chair and in accordance with the following guidelines:-

- Conferences would be in accordance with the functions of the Authority
- The number of Members to attend would normally be 2 or 3 depending on the importance of the conference.
- Members would be selected from those who express an interest, and normally on a first come first served basis; unless the conference is of special interest to particular members in view of their identified development needs and/or their link or other responsibilities.

## **SECTION J**

### **WRITE - OFFS**

#### **17.1 Investment : Write-offs**

- (a) The Fund Director may approve the writing-off of rent/interest or other investment income due if the sum does not exceed £10,000.

Writing-off of any sum in excess of this limit shall be referred to the Authority for approval.

The Fund Director shall submit a quarterly report to the Head of Internal Audit detailing the write-offs which he/she has approved in accordance with the powers delegated to him/her.

- (b) Any other direct write-offs incurred as a consequence of investment activity in accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 are reported by the Fund Director to the Investment Board in the Quarterly Investment Report.

#### **17.2 Pensions administration: Write-offs**

The writing-off of an overpayment of salary to an employee where there is a death in service and the overpayment of pension on the death of a pensioner may be approved by the following officers:

- |  |  |
|--|--|
| - not exceeding £1,000                   | Head of Pensions Administration and Pensions Manager |
| - above £1,000 but not exceeding £5,000  | Fund Director  |
| - above £5,000 but not exceeding £10,000 | Treasurer  |

Writing-off of sums in excess of this shall be referred to the Authority for approval.

#### **17.3 Inventories: Write-offs**

The writing-off of inventory items may be approved by the following officers:

- |                         |               |
|-------------------------|---------------|
| - not exceeding £10,000 | Fund Director |
|-------------------------|---------------|

- above £10,000 but not exceeding £20,000                      Treasurer

Deficiencies in excess of this shall be reported to the Authority for approval.

#### 17.4 **Other Write-offs**

The writing-off of cash discrepancies and bad debts may be approved by the following officers:

- not exceeding £5,000                      Fund Director
- above £5,000 up to £10,000              Treasurer

Writing-off of sums in excess of this shall be referred to the Authority for approval.

#### 17.5 **Review of Write-off limits**

All limits quoted in this section will be reviewed not less than once every two years.

DRAFT

## SOUTH YORKSHIRE PENSIONS AUTHORITY

9 June 2016

### Report of the Clerk

## AMENDMENT TO CONTRACT STANDING ORDERS

### 1. Purpose of the Report

To seek approval to proposed amendments to the Authority's Contract Standing Orders.

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### 2. Recommendation

**Members are recommended to consider and approve the revised contract standing orders.**

---

### 3. Background Information

- 3.1 I reported to the Authority in December on proposed revisions to Contract Standing Orders. The suggested changes took account of developments in industry practice, especially with regard to real estate contracts whereby proposals are increasingly presented to potential investors as pre-ordained packages consisting of teams of professional advisors already committed to projects, and, of course, the abolition of the South Yorkshire Joint Secretariat (SYJS) and the transfer and integration of certain posts and functions to officers of Barnsley Metropolitan Borough Council as a consequence.
- 3.2 Reference was made to the Contract Standing Orders of other authorities: in particular with those adopted by South Yorkshire Fire and Rescue Authority and Barnsley Metropolitan Borough Council.
- 3.3 At the meeting Members were verbally advised that the proposals put forward needed to be amended to take account of new terminology used in the Public Contracts 2015 Regulations which altered the reference to 'Part B services' to 'light touch services'. The Regulations also now include a number of requirements with regard to contracts that fall below the threshold for OJEU advertisement. Reference has also been made to the Concession Contracts Regulations 2016. The attached drafts incorporate these changes.
- 3.4 Although the revised wording should enable more flexibility going forward when adapting to regulatory change Members ought to note

that electronic tendering is required by 18 October 2018 and incorporating this might necessitate a further review.

#### **4. Proposed revisions**

Document	Revisions
Contract Standing Orders	<ul style="list-style-type: none"> <li>• Intermediate value procurement (CSO 7.1): Upper limit increased to £75,000 from £50,000.</li> <li>• High value procurement (CSO 8.1). Limit increased to £75,000 from £50,000.</li> <li>• Contracts over £250,000. New clause requiring senior officer approval (CSO 20.2) and retrospective reporting (CSO 20.3)</li> <li>• Execution of contracts. Increase in limit for contracts under seal from £50,000 to £75,000 (CSO 23.1)</li> <li>• Minor amendment to Standing Orders following review (CSO 35.1)</li> </ul>

#### **5. Implications and risks**

##### 5.1 Financial

There are no costs linked to this report although improved procedures should result in better time efficiencies.

##### 5.2 Legal

Other than the changes identified there are no other immediate legal implications.

##### 5.3 Diversity

There are no diversity implications.

##### 5.4 Risk

It is important that Contract Standing Orders should be reviewed and updated on a regular basis as determined by the Authority and changes to titles, statutory thresholds and minor amendments need to be addressed. It is proposed that amendments to thresholds, titles etc and other minor issues will be undertaken by the Monitoring Officer in future with retrospective approval then being sought from the Authority.



**D Terris  
Clerk**

**Officers responsible:** A Frosdick, Monitoring Officer  
J N Hattersley, Fund Director

**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:** None.

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<p style="text-align: center;"><b>PART 4d</b> <b>CONTRACT STANDING ORDERS</b></p>
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**REPLACE THIS PAGE**

Date Approved:	July 2000
Date Revised:	October 2006; December 2006; June 2008; June 2009; June 2010; April 2012; June 2012;
Date of Next Review:	To be determined by Authority

## CONTRACT STANDING ORDERS

### 1. Compliance

- 1.1 Every contract entered into by the Authority shall be entered into pursuant to or in connection with the Authority's functions and shall comply with:
- (a) all relevant statutory provisions;
  - (b) the Procurement Regulations;
  - (c) the Authority's constitution including these contract standing orders (CSOs), the Authority's financial regulations and scheme of delegation; and
  - (d) the Authority's strategic objectives, procurement strategy and policies.
- 1.2 The highest standards of probity are required of all officers and members involved in the procurement, award and management of Authority contracts.
- 1.3 Any failure to comply with any of the provisions of these Contract Standing Orders, Financial Regulations, Scheme of Delegation or legal requirements by the Authorised Officers may result in disciplinary action by the Authority.
- 1.4 As a general rule members and officers must not accept from contractors or potential contractors or from any firm or organisation with whom the Authority has had, is having or may have any dealings of any kind any gift except in accordance with the Authority's Code of Conduct.
- Members and officers should comply with the Authority's Code of Conduct in this respect. Users are directed for further guidance to the Authority's policy on gifts and hospitality.
- 1.5 These Standing Orders may only be varied with the approval of the Authority.
- 1.6 The Authority has power to waive requirements in these Standing Orders. The Clerk and the Treasurer are authorised to exercise this power on behalf of the Authority. No exemption can be made from requirements of the Procurement Regulations. All exemptions, and the reasons for them, must be recorded in an appropriate log.

### 2. Delegated Authority

- 2.1 Any procurement carried out on behalf of the Authority may only be undertaken by officers with the appropriate delegated authority to carry out such tasks as set out in the Authority's scheme of delegation. Officers with delegated authority may only delegate to other officers who have the appropriate skills and knowledge appropriate to the task.
- 2.2 Within approved budgets and in accordance with the Annual Procurement Plan where applicable, Authorised Officers may enable members of their staff to place orders against Framework Agreements. Any contract award which falls above the EU threshold or which involves any potential TUPE transfer of the Authority's employees to a Supplier shall be referred for a decision from the Authority.
- 2.3 The Clerk, the Treasurer, the Fund Director and the Head of Pensions Administration shall be empowered to seek offers for and award contracts for works, supplies or services on behalf of the Authority in accordance with these Standing Orders.

- 2.4 Whenever the office of Clerk, the Treasurer, Fund Director or the Head of Pensions Administration is vacant, or he/she is for any reason unable to act, the person(s) specified below shall be authorised to act on his/her behalf for the purposes of these Standing Orders.

<u>Clerk or Treasurer</u>	<u>Fund Director</u>	<u>Head of Pensions Administration</u>
Monitoring Officer Deputy Clerk Deputy Monitoring Officer	Head of Investments	Pensions Manager

### **3. Exempt Contracts**

- 3.1 The following contracts are exempt from the requirements of these contract standing orders, but may nevertheless be subject to the Procurement Regulations:
- (a) individual agency contracts for the provision of temporary staff; (for the avoidance of doubt, the appointment of agencies is subject to these CSOs, however agency staff will be employed on the agency's terms and conditions)
  - (b) employment contracts; and
  - (c) where additional works supplies or services are required which, through unforeseen circumstances, were not included in the original contract and which are either strictly necessary for the completion of the contract or, for technical or economic reasons cannot be carried out separately without great inconvenience. The use of this exemption must be supported by a business case setting out the reason(s);
  - (d) for brokerage services associated with the purchase and sale of securities and financial instruments, including the procurement of research, traded upon a public stock exchange;
  - (e) for the engagement of legal (including instructions to counsel) and audit services;
  - (f) professional services associated with the development or refurbishment of investment properties (such as architectural, building design and feasibility consultancy, quantity surveying);
  - (g) for agency services associated with the management, purchase and sale of investment properties;
  - (h) for works, supplies or services obtained from or under contracts which have been negotiated by a central or local government purchasing organisation or by or on behalf of any consortium, association or similar body of which the Authority is a member;
  - (i) for works, supplies or services obtained under a framework arrangement approved by the Authority.

### **4. Estimating the Contract Value**

- 4.1 Contract values should be calculated in accordance with the Procurement Regulations even when the Procurement Regulations are not applicable, for consistency. The Authority should make the best use of its purchasing power by aggregating purchases wherever possible. A contract shall not be artificially divided into two or more separate contracts with the intention of avoiding the requirements to invite quotations or tenders. Contracts shall

be packaged to best ensure service delivery, competition and value for money.

- 4.2 When aggregating contract values a 4 year estimate or an estimate based upon the actual length of the contract must be used to establish the total contract value.

## **5. Framework Agreement**

- 5.1 Framework Agreements are used where an authority wishes to contract for the supply of supplies, services or works without conducting a new procurement exercise. However, the Framework Agreement may include within its terms a requirement for a mini competitive exercise between those Suppliers who are parties to the Framework Agreements. Any Framework Agreement shall be tendered in accordance with these contract standing orders. Where the Authority has entered into a Framework Agreement through procurement or is able to call off from existing Framework Agreements procured by public sector bodies, then the Authority may benefit from using those contracts without entering into a separate procurement.
- 5.2 The Authorised Officer must ascertain whether there is an approved and relevant Framework Agreement in place that should be used whenever a contract is being procured.
- 5.3 The Framework Agreement may include within its terms a requirement for a mini competitive exercise between those Contractors who are parties to the Framework Agreement. These shall be tendered in accordance with this Contract Standing Order and/or the Framework Agreement itself.
- 5.4 Where the Authority is able to call off from existing Framework Agreements procured by Central Government agencies, purchasing consortia or other local authorities or public bodies, then the Authority may benefit from using those contracts without entering into a separate procurement exercise. Where such relevant Framework Agreements contain a number of different Contractors able to provide a particular category of goods or services a mini competitive exercise between those Contractors who are parties to the Framework Agreement may have to be carried out.
- 5.5 The relevant authorised officer must establish and confirm that the Authority is qualified to use the proposed Framework Agreement.

## **6. Low Value Procurement**

- 6.1 Written competitive quotations are not required for contracts or orders with an estimated value of below £20,000 but the authorised officer must ensure that the best value in terms of economy, efficiency and effectiveness is obtained. The purchase order form shall specify the services, supplies or works to be provided and set out the price and terms of payments.

## **7. Intermediate Value Procurement**

- 7.1 For procurements with an estimated value over £20,000 up to £75,000 at least 3 written quotations/RFQs shall be invited before a formal purchase order is issued specifying the supplies, services or works to be provided and in each case the information provided to each party shall be similar to ensure equality of opportunity.
- 7.2 Where a contract with an estimated value of £25,000 or more is advertised, information about the opportunity shall also be published on Contracts Finder, in accordance with the Contracts Regulations.

## **8. High Value Procurements**

- 8.1 For procurements valued at above £75,000, a contract award procedure shall be conducted in accordance with these contract standing orders. The outcome of the contract award procedure shall be recorded in the Contracts Register.
- 8.2 One of three contract award procedures shall be used as appropriate for the particular procurement i.e. open, restricted or Negotiated, provided that only the open procedure shall be used for procurements where the contract value is less than or equal to the EU threshold for supplies and services.
- 8.3 Any procurement that may involve a transfer of staff shall be treated as a High Value Procurement.
- 8.4 Where a contract with an estimated value of £25,000 or more is advertised, information about the opportunity shall also be published on Contracts Finder, in accordance with the Contracts Regulations.

## **9. Contracts Subject to the Procurement Regulations**

- 9.1 Where an estimated value of a contract exceeds the current EU threshold then the contract shall be tendered in accordance with the Procurement Regulations. Under the Contracts Regulations, the contract may be tendered under the open, restricted or, in exceptional circumstances exhaustively set out in the regulations, the Negotiated or other complex procurement procedure. A contract notice in the prescribed form shall be published in the OJEU in order to invite tenders for or expressions of interest for services contracts and supplies and works contracts subject to the rules. The rules relating to technical specifications and the publication of contract award notices shall be observed for all contracts as shall the EC Treaty and the general principles of EC law including non-discrimination, equal treatment, proportionality and transparency.
- 9.2 The Procurement Regulations set out the minimum timescales for receipt of expressions of interest and tenders. Where the Authority has published a Prior Information Notice announcing its forthcoming contracts for the year ahead, then the Authority may rely on reduced timescales if appropriate.
- 9.3 Light Touch Services shall be procured in accordance with one of the procurement procedures set out in the Contracts Regulations.

## **10. Open Procedure**

- 10.1 The Authority publishes a notice. All suppliers expressing an interest are invited to tender. If publication of a notice in OJEU is not required then the notice shall be published on the Authority/Fund website and if required any appropriate national press and/or trade journals in order to target the appropriate market for the particular contract. The advertisement shall contain details of the proposed contract and specify a time limit within which interested parties may express an interest in tendering for the contract. Where a contract with an estimated value of £25,000 or more is advertised, information about the opportunity shall also be published on Contracts Finder, in accordance with the Contracts Regulations. After the expiry of the deadline date for expressions of interest, the Authority shall send any party expressing an interest an ITT. The ITT shall specify the return date for tenders.

## **11. Restricted Procedure**

- 11.1 The Authority publishes a notice. Where a contract with an estimated value of £25,000 or more is advertised, information about the opportunity shall also be published on Contracts Finder, in accordance with the Contracts Regulations. Only those suppliers selected by the Authority are invited to tender. Suppliers shall be selected on the basis of published pre-qualification criteria.
- 11.2 The restricted procedure may not be used for procurements where the contract value is less than or equal to the EU threshold for supplies and services.
- 11.3 If publication of a notice in OJEU is not required the advertising requirements are the same as in the open procedure except that the notice shall state that a restricted procedure is being used. If the Contracts Regulations apply a minimum of five suppliers shall be invited to tender and in all other cases a minimum of three shall be invited to tender.

## **12. Negotiated Procedure**

- 12.1 The Authority publishes a notice. Where a contract with an estimated value of £25,000 or more is advertised, information about the opportunity shall also be published on Contracts Finder, in accordance with the Contracts Regulations. Only those suppliers selected by the Authority are invited to negotiate. Suppliers are selected on the basis of published pre-qualification criteria.
- 12.2 The Negotiated procedure may not be used for procurements where the contract value is less than or equal to the EU threshold for supplies and services.
- 12.3 If a publication of a notice in the OJEU is not required, the advertising requirements are the same as in the restricted procedure, except where the procurement falls within one of the exemption provisions of the Contracts Regulations. Any notice shall state that the Negotiated procedure is being used.
- 12.4 A minimum of three suppliers should be invited to negotiate following publication of a notice.
- 12.5 At least two officers, at least one of whom shall be an officer identified in 2.3 above or their delegate, shall be present at all times during the negotiations.
- 12.6 The Authority shall keep proper records of all negotiations and these shall be signed as such by all participants.
- 12.7 At all times during the negotiations, the Authority shall consider and implement the principles of non-discrimination, equal treatment and transparency.

## **13. Pre-qualification**

- 13.1 The Authority shall only enter into a contract with a Supplier for a High or Intermediate Value procurement, if it is satisfied as to the Suppliers –
- (a) eligibility;
  - (b) financial standing;
  - (c) technical capacity;
  - (d) complies with the Authority's relevant policies;



- (e) pre-qualification assessment by an approved partner organisation where appropriate.
- 13.2 Technical capacity includes the Supplier's quality management systems including human resources, health and safety and environmental management systems where relevant to the performance of the contract.
- 13.3 Any procurements subject to the Procurement Regulations shall comply with the appropriate regulations.

#### **14. The Invitation to Tender**

- 14.1 The Invitation to Tender shall include details of the Authority's requirements for the particular contract including:
- (a) a description of the services, supplies or works being procured;
  - (b) the procurement timetable including the tender return date and time, which shall allow a reasonable period for the applicants to prepare their tenders;
  - (c) a specification and instructions on whether any variants are permissible;
  - (d) the Authority's terms and conditions of contract, form of contract and bond;
  - (e) the evaluation criteria including any weightings as considered appropriate;
  - (f) pricing mechanism and instructions for completion;
  - (g) whether the Authority is of the view that TUPE may apply;
  - (h) form and content of method statements to be provided;
  - (i) rules for submitting of tenders and whether tenders may be submitted electronically;
  - (j) any further information which will inform or assist tenderers in preparing tenders.

#### **15. Submission and Opening of Tenders**

- 15.1 Tenders shall be submitted in accordance with requirements set out in the ITT. Any tenders received shall be addressed to the Clerk for the attention of the Treasurer in an electronic vault or sealed envelope endorsed with the word "Tender" followed by the unique tender reference to which it relates. Tenders shall be kept in a safe place by the Authorised Officer and remain unopened until the time and date specified for its opening. No tenders received after the specified date and time for receipt of tenders shall be accepted or considered by the Authority unless the Authorised Officer is satisfied that there is sufficient evidence for the tender having been dispatched in sufficient time for it to have arrived before the closing date and time. No tender will be considered if the envelope bears the name, logo, mark or any other symbol or phrase indicating the identity of the sender.
- 15.2 Postal Tenders shall be opened by the Authorised Officer and at least one other officer. An immediate record should be made of the tenders received including names, addresses

and the date and time of opening.

- 15.3 If any tender received does not comply with the provisions of SO 15.1 it must immediately on receipt be placed in a plain envelope recording the tender it concerns and placed in the custody of the Clerk unopened.

## **16. Electronic Tendering**

- 16.1 RFQs and ITTs may be transmitted by electronic means. Quotations and tenders may be submitted by electronic means provided that:

- (a) evidence that the transmission was successfully completed is obtained and recorded;
- (b) electronic tenders are kept in a separate secure folder under the control of the Authorised Officer or other nominated body or persons which is not opened under the deadline has passed for receipt of tenders.

## **17. Tender Evaluation**

- 17.1 Tenders subject to the Procurement Regulations shall be evaluated in accordance with the relevant regulations and the evaluation criteria set out in the ITT. All other tenders shall be evaluated in accordance with the evaluation criteria as notified to tenderers in the ITT. All contracts, except works contracts where lowest price was predetermined to be the appropriate criteria, shall be awarded on the basis of the offer which represents Best Value to the Authority. The evaluation criteria shall be predetermined and listed in the ITT documentation, in order of importance if applicable. In addition, the criteria shall be strictly observed at all times throughout the contract award procedure by any officer involved in the tender evaluation.

## **18. Post Tender Negotiation**

- 18.1 Post Tender Negotiation occurs after receipt of formal bids or tenders and before the letting of contract(s) with those companies submitting tender(s) offering the best value for money with a view to obtaining an improvement in content in circumstances which do not put the other tenderers at a disadvantage, distort competition or affect adversely trust in the competitive tendering process.
- 18.2 An amended Tender following negotiations under this rule may not be accepted unless it provides Best Value for Money to the Authority.
- 18.3 At all times during the procurement process the Authority shall ensure that all tenderers are treated equally and in a non-discriminatory and transparent manner.

## **19. Bonds, Guarantees and Insurance**

- 19.1 For procurements over £75,000 the Authorised officer shall consider as part of its pre-qualification assessment and evaluation process whether a performance bond and/or a parent company guarantee (if applicable) shall be required from the preferred Supplier dependent upon the supplier's status and the product characteristics and a thorough risk analysis.

## **20. Awarding Contracts**

- 20.1 The Authority shall only award a contract where this represents Value for Money.

- 20.2 A contract may only be awarded by an officer with the requisite delegated authority to award contracts. For all procurements valued at above £250,000 the decision to award a contract shall be made by a 2.3 officer.
- 20.3 The Clerk shall submit a report regarding the award of any procurement valued at above £250,000 to the earliest available meeting of the appropriate Board. The Clerk shall submit an annual report to the Corporate Governance and Planning Board listing all contracts, including those awarded under framework agreements or through joint procurement, awarded in the given year that exceed £75,000 in value.

## **21. Letters of Intent**

- 21.1 Letters of intent shall only be used in exceptional circumstances as follows:
- (a) Where a Supplier is required to provide services, supplies or works prior to formal written acceptance by the Authority; or
  - (b) Where the Authority's form of tender does not include a statement that until such time as a formal contract is executed, the Authority's written acceptance of a tender shall bind the parties into a contractual relationship.
- 21.2 Letters of Intent shall only be used where a delay would cause a significant interference with the provision of service deliverability.

## **22. Contract Terms and Conditions**

- 22.1 Contracts shall be entered into on the Authority's terms and conditions, reference to which shall be included with each invitation to tender or negotiate. Exceptions to this rule must be approved beforehand at tender preparation stage with the Monitoring Officer on behalf of the Clerk.
- 22.2 Where contracts are subject to the Procurement Regulations, the rules relating to technical specifications shall be followed and any reference to a technical standard, make or type shall be prefaced with the words "or equivalent".
- 22.3 The exception to using our Terms and Conditions arises when using a Framework and where the Framework Terms and Conditions would conflict.

## **23. Execution of Contracts**

- 23.1 All contracts valued at £75,000 or above shall be executed under seal unless the Clerk approves other arrangements. No contract shall be executed as a deed except under seal. All other contracts may be signed by an officer with appropriate delegated authority.
- 23.2 Electronic signatures may be used in accordance with the Electronic Signature Regulations 2002 provided the sufficiency of security arrangements has been approved by the Clerk.

## **24. Records of Tenders and Contracts**

- 24.1 The Authorised Officer with delegated authority in respect of a particular procurement shall maintain a list of all tenders received.
- 24.2 A Contracts Register of all contracts awarded above £20,000 shall be maintained by the

Fund Director on behalf of the Authority. The Contracts Register may be maintained electronically.

- 24.3 For every individual contract above £75,000 a file shall be maintained for a period of 6 years.

## **25. Approved Lists**

- 25.1 The Authority may maintain approved lists of Suppliers that meet its pre-qualification requirements. Quotations and tenders for contracts that are not subject to the Procurement Regulations may be invited from Suppliers included on an approved list. Where the Authority intends to use an approved list for services, supplies or works contracts, the selection of which contractors should be included on such list should itself be advertised.

## **26. Nominated and Named Sub-contractors**

- 26.1 If a sub-contractor, supplier or sub-consultant is to be nominated or named to a main contractor, quotations or tenders must be invited in accordance with these Standing Orders and the terms of the invitation must be compatible with the main contract.

## **27. Novation**

Novation occurs where there is an agreement to change a contract by substituting a third party for the original contractor. Where the Authority is approached regarding novation the Authorised Officer may seek the advice of either the Treasurer or Monitoring Officer before agreeing novation for procurements valued below the lower of £250,000 or the EU threshold but for procurements valued over the lower of £250,000 or the EU threshold advice must be sought.

## **28. Joint Procurement**

- 28.1 Any joint procurement arrangements with other local authorities or public bodies including membership or use of purchasing consortia for procurements above £250,000 shall be approved by the Monitoring Officer on behalf of the Clerk prior to the commencement of any procurement on behalf of the Authority. This clause does not apply to framework agreements.
- 28.2 Approval shall only be given where the joint procurement arrangement assures compliance with the Procurement Regulations.
- 28.3 The Authorising Officer needs to be satisfied that any joint procurement has been undertaken in accordance with the principles of these CSOs.

## **29. Procurement by Consultants**

- 29.1 Any consultants used by the Authority shall be appointed in accordance with these contract standing orders. Where the Authority uses consultants to act on its behalf in relation to any procurement, then the Authorised Officer shall ensure that the consultants carry out any procurement in accordance with these contract standing orders. No consultant shall make any decision on whether to award a contract or who a contract should be awarded to. The Authorised Officer shall ensure that the consultant's performance is monitored.

## **30. Procurement by Corporate or Purchase Cards**

30.1 The use of Authority Purchase Cards must comply with these standing orders. These standing orders are supplemented by the Financial Regulations governing the use of such cards.

### **31. Statistical Returns**

31.1 If required, in any year the Authority shall make a statistical return to Department of Communities and Local Government (DCLG) for onward transmission to the European Commission concerning the contracts awarded during the year under the European rules.

31.2 The Clerk is responsible for this statistical return and will make the necessary arrangements for information to be collected annually. Authorised officers shall comply with these arrangements.

### **32. Contract Extension**

32.1 Any contract may be extended in accordance with its terms. Where the terms do not expressly provide for extension, contracts subject to the Procurement Regulations may only be extended in accordance with the rules set out in the regulations.

32.2 Other contracts may be extended by negotiation in the same circumstances where there is a compelling business case approved by the Treasurer. The Authorised Officer shall always be satisfied that extension will achieve value for money and is reasonable in all the relevant circumstances and take legal advice.

### **33. Termination of Contract**

33.1 For any contract exceeding £250,000 in value, termination shall be approved by the Authority. Contracts of a lesser value may be terminated early by agreement prior to the expiry date or in accordance with the termination provisions set out in the contract.

### **34. Waivers of Contract Standing Orders**

34.1 The Authority have power to waive any requirements within these contract standing orders for specific projects.

34.2 Where a proposed contract is likely to exceed the EU Threshold, no officer has delegated powers and the matter has to be determined by the Authority. No exemption can be made from the requirements of the Procurement Regulations.

34.3 Where an exemption is necessary because of an unforeseeable emergency involving immediate risk to persons, property or serious disruption to the Authority or is considered necessary for significant reasons that require expediency, the Authorised Officer may, after consulting with a 2.3 officer as considered appropriate, jointly approve the exemption up to a maximum of £75,000 but they must prepare a report for the next appropriate Board meeting reporting the action taken.

34.4 All exemptions, and the reasons for them, must be recorded in an appropriate log. Exemptions shall be signed by the Officer and countersigned by the Treasurer.

34.5 The Treasurer must monitor the use of all exemptions.

### **35. Review and Amendment of Contract Standing Orders**

35.1 These contract standing orders shall be reviewed and updated on a regular basis as determined by the Authority and changes to titles, statutory thresholds and minor amendments will be undertaken in consultation with the Monitoring Officer from time to time. Amended contract standing orders shall be agreed periodically as determined by the Monitoring Officer and adopted by the Authority.

## **Definitions**

### **“Authorised Officer”**

A person with appropriate delegated authority to act on the Authority’s behalf.

### **“Authority”**

South Yorkshire Pensions Authority; or any designated Board of the Authority that has delegated powers to act on behalf of the Authority.

### **“Value for Money”**

The optimum combination of whole life costs and benefits to meet the customer’s requirement. Such term equates to “most economically advantageous” offer in the Procurement Regulations .

### **“Concessions Regulations”**

The Concession Contracts Regulations 2016.

### **“A Contract”**

Any contract in writing or otherwise for works, supplies or services but shall exclude contracts for the acquisition of land, including buildings and other structures, land covered with water, and any estate, interest, easement, servitude or right in or over land (other than where such a contract is a Public Works Contract for the purpose of the Contracts Regulations) or for financial services in connection with the issue, purchase, sale or transfer of securities or other financial instruments (this exclusion includes securities broking services).

### **“Contracts Finder”**

The web-based procurement portal provided by or on behalf of the Cabinet Office.

### **“Contracts Register”**

A register held and maintained by an Authority containing details of contracts entered into by the Authority above a threshold value of £20,000.

### **“Contracts Regulations”**

The Public Contracts Regulations 2015.

### **“EU threshold”**

The financial threshold above which contracts are required by the Procurement Regulations to be advertised in OJEU, which thresholds are different for supplies and services, for concessions, for Light Touch Services and for works, and which are updated every two years.

**“Framework Agreement”**

An agreement which allows an Authority to call off from a supplier to provide supplies, services or works in accordance with the terms of the agreement. The Framework Agreement itself usually constitutes a nonbinding offer with no obligations on the Authority to call off from the Supplier. If the Authority calls off from the Supplier a binding contract comes into being.

**“ITT”** Invitation to tender.

**“Light Touch Services”**

The social and other specific services listed in schedule 3 to the Contracts Regulations.

**“Monitoring Officer”**

The Monitoring Officer performing the functions of the “Monitoring Officer” as described under section 5 of the Local Government and Housing Act 1989.

**“Negotiated”** In relation to a procurement procedure, the competitive procedure with negotiation.

**“OJEU”** Official Journal of the European Union.

**“PIN”** Prior Information Notice for publication in OJEU.

**“Procurement Regulations”**

The Contracts Regulations or the Concessions Regulations, as appropriate.

**“RFQ”** Request for quotations.

**“Quotation”** means a written estimate to execute works, or supplies or services.

**“Services”** is to be construed in accordance with the Contracts Regulations.

**“Supplies”** is to be construed in accordance with the Contracts Regulations.

**“A tender”** means a written offer to execute works or provide supplies or services.

**“Works”** is to be construed in accordance with the Contracts Regulations.

**“Supplier”**  
Any person or body of persons providing, or seeking to provide, supplies, services or works to an Authority.

**“TUPE”** The Transfer of Undertakings (Protection of Employment) Regulations 2006.





MAY, 2016

# LGPS CURRENT ISSUES

## NEWS IN BRIEF



### 2016 ACTUARIAL VALUATION (ENGLAND AND WALES)

We are now firmly passed 31 March 2016, the effective date of the next round of actuarial valuations for English and Welsh Funds.

We are in the process of scheduling and attending meetings with all Fund officers to discuss initial strategies and provide advice. Work is currently underway on providing indicative results to all of our Funds, based on a roll forward approach from the previous valuation, for discussions during these initial meetings.

For several months, work has also been ongoing in order to create a Universal Data Extract. The primary aim of the extract is to produce the membership data required for the 2016 actuarial valuation exercises in England and Wales, but it is also intended to produce data required for other employer related calculations. It is hoped that the Universal Data Extract will therefore improve the efficiency of data being provided by Funds to their actuaries when calculations are required.

## IN THIS ISSUE

- News in Brief
- Dates to Remember
- Contacts



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Where requested, data quality testing / cleansing exercises are currently in progress to ensure smooth running of the valuation calculations once the data extracts are submitted (expected to be in July / August 2016 for the majority of English and Welsh Funds).

We will keep you up-to-date on the latest progress on your Fund's 2016 actuarial valuation. Any queries regarding timings of the various stages should be directed to your usual Mercer contact.



## PENSIONS TAXATION

As reported, the 2016 Budget contained few immediate changes to the pension tax regime.

Although a summary of the responses to the consultation "Strengthening the Incentive to Save" was published, it contained no real conclusions or commentary from Treasury. A premise of the consultation was that people did not save enough for retirement, possibly because they find the current system of tax relief confusing or do not fully understand pensions. The announcement in the Budget of a new Lifetime ISA (LISA) for the under 40s introduces yet another retirement savings option into the mix.

LISA looks very similar to the Pension ISA (PISA), one of the options being considered by Treasury. Although there is no lock-in of money saved in a LISA, the disincentive to withdraw the money before age 60 other than for the purposes of buying a first home (5% penalty and loss of the Government incentive) makes it appear like an alternative to pension savings. Indeed, for some it may be more tax efficient than paying additional contributions into a pension scheme.



## EQUITABLE LIFE DEVELOPMENTS

As highlighted in previous editions, Equitable Life is increasing the annual management charges it applies to various funds, and also halving its overall fund range, with assets being disinvested and reinvested in one or more of the remaining funds. Whilst we would expect that the majority of LGPS members with Equitable Life policies to not be affected (given they will be invested in With-Profits funds which are not subject to any of the changes announced), LGPS Funds, which have members with Equitable Life Policies, still need to consider what action they should take.

In particular, administering authorities need to be aware that any automatic reinvestment performed by Equitable Life, could be deemed to be an investment decision by the administering authority on behalf of members.

We have issued a separate update to administering authorities setting out the changes and we are now currently in the process of liaising with them in order to first consider the extent to which members are invested in the affected funds, with a view to then preparing suitable communications for members informing them of the position.



## SCHEME ADVISORY BOARD UPDATE

Following the appointment of Cllr Roger Phillips as chairman of the Local Government Pension Scheme Advisory Board (SAB), and Jon Richards from Unison as vice chairman, a message was issued in April on forthcoming matters.

This included the invitation for nominations to fill three statutory non-voting positions to be sent to Association of Local Authority Treasurers (ALAT), the Pension and Lifetime Savings Association (PLSA formerly NAPF) and the Trade Union Congress (TUC). Further considerations will take place at the next meeting of the SAB on if and how it may wish to appoint advisors or other observers.

In addition, there will be two sub committees chaired by members of the SAB: Cost management and Scheme Design and secondly Investment, Engagement and Governance, while the Deficits Working Group will be reconstituted.

SAB will also be publishing its third annual report this month, based on data collated from all 89 Funds in England and Wales.



## ACADEMIES

The 2016 Budget saw the Chancellor confirm his plans to force all schools in England to convert to academies by 2022.

However, following strong opposition from teachers, education experts, MPs and councillors, including the threat of industrial action by head teachers, concessions have since been announced where high performing schools can now make the choice to convert.

The government has however said it is still planning on compelling academy conversions in two areas:

- Where the local authority can no longer viably support its remaining schools because too many schools have already become academies.
- Where the local education authority consistently fails to meet a minimum performance threshold across its schools.

As not a complete climbdown, it is clear the government still intends to push academy conversions in certain areas. Therefore, English LGPS Funds should still be prepared for more academy conversions in the future.



## EUROPEAN UNION REFERENDUM

As you will no doubt be aware, the European Union (EU) Referendum is to be held on 23 June 2016.

We have previously highlighted the impact the Referendum may have on the financial markets and that volatility and uncertainty in the markets will almost certainly have a knock-on effect on funding positions of pension schemes. Decisions on how best to take this into account when considering the results of the triennial actuarial valuations of LGPS Funds in England and Wales will need to be made and we will discuss this matter further with Fund officers as the valuation year progresses and the outcome of the Referendum becomes known.



## PUBLIC SECTOR EXIT PAYMENTS

In the March 2016 edition of LGPS Current Issues we provided details on the most recent consultation in respect of reforms to public sector exit payments, which aims to reduce the overall cost of exit payments and achieve greater consistency with the private sector.

Mercer has responded to the consultation and we will update you when the government's response becomes available. Please contact your usual Mercer contact if you would like a copy of our response.

It is safe to say the government still has the overall area of public sector pay and exit packages well in its sights, and more can be expected (e.g. the promised review of sickness absence has yet to emerge). We will keep you informed of any further developments in this area.



## INVESTMENT POOLING IN THE LGPS

The proposed pooling reforms for the LGPS were debated in the House of Lords last week. Professional Pensions has reported that Labour peers called on the government to ensure the pooled funds will conduct their investment strategies only in the interests of their members.

There are many challenges ahead, there is still much emphasis on reducing investment manager fees and structuring portfolios; but these issues are really just the tip of the iceberg. There are a plethora of underlying, “hidden” costs which should be considered, alongside the potentially unlimited costs that could be incurred if the operational aspects of a pool are not properly risk managed.

We would be happy to provide our comments on risk management. Please contact Joanne Holden (joanne.holden@mercer.com, 0161 837 6514) or Andy Farrington (andy.farrington@mercer.com, 0161 837 6528) for more information.

The next deadline for Funds/pools to consider is 15 July 2016. By this date, they will have had to make a final submission to the government describing the proposed structure and governance of any pooling arrangement, what costs (and importantly savings) are expect, and also how this will be implemented e.g. transition profile for the assets involved. Unlike the initial submissions, final submissions need to be on an individual pool basis only.



## STATE PENSION AGE REVIEW

The 2014 Pensions Act requires the results of an independent review of the State Pension age to be published at least every six years, with the first review to be completed and a report published by 7 May 2017. The Government has just published the terms and conditions of the first review.

The purpose of the review is to make recommendations to the Secretary of State for Work and Pensions on future State Pension age arrangements. The review should consider whether the current position (that is, the State Pension age increasing over time) is affordable in the long term, fair to current and future generations of pensioners, and consistent with supporting fuller working lives. If not, it should consider the alternatives.

The terms and conditions state that the review “is to have regard to variations between groups”. There are as yet no further details on the form that this will take, but the document has led to a large amount of press speculation on which groups could be considered and the possibility of further increases to State Pension ages for these groups. The review will also “consult widely” as part of its remit and so opportunities for further discussion and comment are expected during the process.

Whilst this review is very relevant to the LGPS given the retirement age link to the State Pension Age, the Government has said that the review and subsequent report will not affect the current timetable for increases to the State Pension age, which will take place between now and 2028.



## CODE OF PRACTICE ON INCENTIVE EXERCISES

The Incentive Exercises Monitoring Board has published Version 2 of the Incentive Exercises for Pensions code of good practice. The code applies to all new incentive exercises made available to members on or after 1 February 2016. Exercises made available to members prior to this date will continue to fall under Version 1.

Version 2 introduces a proportionality threshold under which there is no requirement to provide advice or for a member to take guidance. The threshold is £10,000 for transfers

and full commutation exercises, and £500 p.a. of pension affected by a pension increase exchange.

This proportionality threshold is a useful mechanism for Funds and employers wishing to conduct bulk trivial commutation exercises to reduce liabilities and administration costs, as it potentially removes the requirement to pay for financial advice for the member, where the member's pension is trivial, which significantly increases the appeal of such exercises.

The 2016 valuations mark an ideal time for Funds which have not yet previously considered such exercises to assess the liabilities that can be extinguished through trivial commutation and we are able to incorporate such analysis in our valuation calculations.



## NEW REGULATIONS RELATING TO PENSION FLEXIBILITIES

Following a consultation and call for evidence, the Department for Work and Pensions has published the Government's response relating to pension flexibilities and laid regulations before Parliament, which came into effect on 6 April 2016. This consultation was to ensure that the pension flexibilities introduced in April 2015 were operating as intended in certain circumstances. The Government response highlights various changes that have been made to the original proposals and notes that the introduction of some changes have been delayed. The key points are as follows:

- Disclosure of information requirements – the regulations introduce a statutory requirement for schemes to issue generic risk warnings “as a second line of defence” in certain situations where a member wishes to take flexible benefits. The Pensions Regulator has previously issued good practice guidance encouraging use of these warnings and so many schemes will already be including them within their member communications.
- Pension sharing orders on divorce – it is clarified that the “advice” requirements relating to the transfer of safeguarded rights do not apply at the point a pension sharing order is implemented, even when this involves a transfer out of the original scheme. However, ex-spouses who become members of the scheme in their own right following implementation of a pension sharing order will be subject to the same advice requirements as other members if they seek to transfer out at a future date.
- Pension attachment (or “earmarking”) orders on divorce – the original intention that a scheme would be required to write to a former spouse when the member applies to take flexible benefits has been delayed in recognition of the complexity of the issues involved.



## NEW FAIR DEAL

As reported in previous editions, DCLG have formed a working group, made up of the LGA, Trade Unions and practitioners, to consider how the principles of the new Fair Deal might apply for the LGPS – in the spirit as it applies to the other public sector schemes.

Whilst there has been no major developments to report on we are aware of work going on behind the scenes. Our current expectation is that there is likely to be further news on progress in the autumn. We will, of course, update you when we know more.



# DATES TO REMEMBER

DATE	ISSUE	SUMMARY
6 May 2016	Abolition of contracting out	This is the deadline for employers to have notified employees of change in contractual terms (as a result of the abolition of contracting-out)
23 June 2016	European Referendum	The referendum on whether the UK will opt out of the EU will take place on this date.
5 July 2016	Abolition of contracting out	This is the deadline for administering authorities to have notified active members of their change in contracted-out status.
15 July 2016	Investment pooling	Deadline for funds to have formally submitted their proposals to the government for investment pooling with other funds.
30 September 2016	Actuarial valuation	Deadline for membership data to have been submitted to GAD as part of the LGPS cost management analysis.
31 March 2017	Actuarial valuation	Deadline for the 2016 England and Wales actuarial valuation exercises to have been formally signed off by the fund actuary. Effective date of the Scottish LGPS actuarial valuations.
6 April 2017	Scottish Income tax	From this date, the Scottish Parliament will have the power to set all income tax rates and bands above the personal allowance for non-savings and non-dividend income for Scottish taxpayers.
7 May 2017	State Pension Age	Deadline for publication of the first report on the independent review of the State Pension age.

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## SOUTH YORKSHIRE PENSIONS AUTHORITY

9 June 2016

### Report of the Clerk

## WEBCASTING

### 1. Purpose of the Report

*To seek approval for renewing the contract to webcast meetings of the Authority*

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### 2. Recommendations

**Members are recommended:**

- a) **To agree to continue webcasting meeting of the South Yorkshire Pensions Authority.**
  - b) **To note that costs are being negotiated with the service provider and will be reported to the next meeting of the Authority**
  - c) **To delegate responsibility to the Chair and Vice Chair for agreeing a 3 year webcasting contract renewal**
  - d) **To note the price economies under consideration which arise from entering into a joint webcasting contact with Barnsley MBC and multi-year agreement**
- 

### 3. Background Information

- 3.1 Webcasting is the live broadcast of meetings over the internet with access via computer, tablet and smartphone. Members' contributions are time stamped so that the viewer can browse all contributions by a specified member or scroll to a particular debate. Individual items can be shared and commented upon via social media.
- 3.2 The hardware and software are leased from Public-i Ltd which also provide a helpdesk during the webcast and host an archive of the webcast for six months after the meeting.
- 3.3 The Authority has webcast its meetings since 2006, along with the other South Yorkshire Joint Authorities. In 2015 the Joint Authorities entered into a joint contract with Barnsley MBC resulting in a reduction in costs for all parties.
- 3.4 Officers are currently in negotiations with Public-I to identify additional savings predicated on the agreement of a 3 year contract.

#### **4. Transparency**

- 4.1 The webcasting of the Authority supports transparency and engagement with stakeholders including employers and scheme members. The increased avenues for openness and accountability, which web technologies provide are important to gain public trust in the Authority's decision making. This complements the expectations regarding openness and transparency of meeting proceedings as defined in the 2014 Audit and Inspections Act.
- 4.2 Broadcasting meetings in this way encourages engagement and feedback, and overcomes exclusion: the hard of hearing can read a transcription, minority groups can read a translation, and citizens with reading difficulties can see and hear a streamed video.
- 4.3 There have been a total of 3956 live and archived viewings of South Yorkshire Pensions Authority meetings over the last 12 months (up from 2093 over the previous 12 months).

#### **6. Implications**

- 6.1 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.

M McCarthy  
Deputy Clerk

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