

SOUTH YORKSHIRE PENSIONS AUTHORITY

ORDINARY MEETING

7 JUNE 2018

PRESENT: Councillor S Ellis (Chair)
Councillor M Stowe (Vice-Chair)
Councillors: A Bainbridge, S Cox, A Hurst, J Mounsey,
A Sangar, I Saunders, A Teal and R Wraith

Trade Unions: N Doolan-Hamer (Unison), D Patterson
(UNITE) and G Warwick (GMB)

Officers: J Bailey (Head of Pensions Administration),
A Frosdick (Monitoring Officer), G Graham (Fund Director) and
M McCoolle (Senior Democratic Services Officer)

Apologies for absence were received from Councillor S Durant,
Councillor K Wyatt, N Copley and M McCarthy

1 **APOLOGIES**

Apologies for absence were noted as above.

2 **LOYAL SERVICE AWARDS**

The Authority expressed its thanks to Melanie Dassow and Cath Lyman who had met the criteria for loyal service awards but were unable to be present today.

Councillor Ellis noted that at the end of June 2018 the Authority's Investment Team would transfer to BCPP. She expressed her thanks and appreciation to the Team for their work over many years and considered that they embodied the ethos of the public sector at its best, with impeccable investment knowledge and skills.

Councillor Ellis presented awards to celebrate the service of the Investment Team to the Authority to Sharon Smith, Jane Firth, Ross Martin, Kevin Palmer, Shaun Lovett, Peter Turnor and Myles Andrews.

3 **ANNOUNCEMENTS**

Councillor Ellis informed Members that the new mobile webcasting equipment would be trialled at today's meeting. She introduced Jason Bailey, Head of Pensions Administration to the meeting.

J Bailey had recently joined the Authority after working at Surrey and East Sussex County Council Partnership for the past 15 years, with a total of 25 years' experience in local government pensions. He was delighted to head up the very professional and dedicated administration team in South Yorkshire.

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4 URGENT ITEMS

None.

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

None.

6 DECLARATIONS OF INTEREST

None.

7 MINUTES OF THE AUTHORITY MEETING HELD ON 15 MARCH 2018

RESOLVED – That the minutes of the Authority meeting held on 15 March 2018 be agreed and signed by the Chair as a correct record.

8 MINUTES OF THE CORPORATE PLANNING AND GOVERNANCE BOARD HELD ON 15 FEBRUARY 2018

RESOLVED – That the minutes of the meeting of the Corporate Planning and Governance Board held on 15 February 2018 be noted.

9 MINUTES OF THE INVESTMENT BOARD HELD ON 8 MARCH 2018

RESOLVED – That the minutes of the meeting of the Investment Board held on 8 March 2018 be noted.

10 MINUTES OF THE LOCAL PENSION BOARD HELD ON 18 JANUARY 2018

At the Local Pension Board Meeting held on 15 March 2018, G Boyington had stepped down as Chair and a Member of the Board.

Councillor Ellis expressed her thanks, on behalf of the Authority, to G Boyington, who had been incredibly diligent and astute as a Member of the Board since its inception; a letter of thanks would be sent to G Boyington on behalf of the Authority.

Councillor Wraith echoed Councillor Ellis' sentiments, and he expressed his best wishes to G Boyington in his retirement.

Councillor Stowe expressed his thanks, both personally and professionally, to G Boyington, and he wished him well in his retirement.

RESOLVED – That:-

- i) The minutes of the meeting of the Local Pension Board held on 18 January 2018 be noted.
- ii) A letter of thanks to be sent to G Boyington, on behalf of the Authority.

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11 MINUTES OF THE LOCAL PENSION BOARD HELD ON 15 MARCH 2018

RESOLVED – That the minutes of the meeting of the Local Pension Board held on 15 March 2018 be noted.

12 WORK PROGRAMME

The Authority considered its Work Programme to 22 November 2018.

Councillor Ellis informed the new Members onto the Authority that the Work Programme formed a standard agenda item. Members were permitted to make suggestions for inclusion onto the Work Programme and to raise any issues discussed at their respective local authorities. Work would commence to refresh the Investment Strategy; Members would be invited to a seminar and workshop which would be held in September 2018.

RESOLVED – That the Work Programme was noted.

13 SECTION 41 FEEDBACK FROM DISTRICT COUNCILS

Councillor Ellis commented that RMBC welcomed the newly appointed G Graham and J Bailey onto the Authority.

14 COMPLIANCE WITH THE PRINCIPLES FOR INVESTMENT GOVERNANCE - SELF-ASSESSMENT

A report of the Clerk was presented to inform Members of the outcome of the self-assessment against the Principles for Investment Governance.

In October 2011, Members had adopted a system of self-assessment and had agreed to use a template to gauge compliance. Members had been issued with individual copies in January 2018, to be completed and returned at the end of the financial year (March 2018); 10 forms from the 12 forms issued had been returned. In the main, the scores were either Very Good or Excellent and no areas of concern or development needs had been identified.

RESOLVED – That the Authority:-

- i) Noted the contents of the report.
- ii) Agreed to any development needs arising from the results.

15 MEMBER LEARNING AND DEVELOPMENT STRATEGY

A report of the Clerk was submitted to provide Members with a forward look at learning and development arrangements in 2018/19. It was essential for every Member of a public authority to have continuous training and development. The requirements had been formalised following the introduction of more demanding governance requirements over the last 10 years.

Induction training would be arranged for the most recently appointed Members within 4 weeks of the Authority's AGM, and individual training needs analysis questionnaires

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would be completed for all Members, to ensure that specialist training could be arranged where necessary.

Councillor Ellis reminded the new Members of the expectation to complete the Fundamentals Training within their first year of appointment onto the Authority; the 2018 programme would be made available shortly.

G Warwick referred to the long standing arrangement for Trades Union representatives to be invited to attend appropriate training.

RESOLVED – That Members:-

- i) Nominated and appointed Councillor Sangar as Lead Member for Learning and Development.
- ii) Agreed to commit to a personal development review.
- iii) Agreed an annual training plan which could be developed further over the year as required.

16 REFRESH OF THE CORPORATE PLANNING PROCESS

A report of the Fund Director was presented to secure the agreement of Members to a refresh of the Authority's Corporate Planning process for delivery from 2019/20.

Members noted the very significant changes for the Authority since the last update in 2015, in terms of its senior management, the forthcoming transfer of staff and assets into the BCPP pooling structure, and the progress towards eliminating the deficit. It was therefore considered an opportune time to reflect on the Authority's objectives to ensure that key issues were focussed upon.

RESOLVED – That Members:-

- i) Approved the Corporate Planning framework set out in Appendix A to the report.
- ii) Noted the process of stakeholder engagement around corporate priorities proposed over the remainder of the current year.
- iii) Noted the timetable set out for producing the various 'enabling' strategies.

17 REVIEW OF CORPORATE SUBSCRIPTIONS

A report of the Fund Director was presented to allow Members to consider the current corporate subscriptions and levies and to allow them to indicate whether they wished to renew and/or add additional subscriptions.

Councillor Ellis suggested that the Authority should subscribe to the Pensions and Lifetime Savings Association (formerly the National Association of Pension Funds), which provided access to a range of research and training events that were focused on particular groups e.g. elected members and pension investors.

RESOLVED – That Members:-

- i) Noted the current range of corporate subscriptions and levies.
- ii) Did not consider that any of the Authority's subscriptions should be terminated.
- iii) Agreed to subscribe to the Pensions and Lifetime Savings Association (formerly the National Association of Pension Funds).

18 WORKFORCE ISSUES

A report of the Fund Director was submitted to provide Members with information relating to the profile of the Authority's workforce in order to initiate consideration of a range of workforce risks which faced the Authority and necessary mitigation issues, and to seek approval for the Authority's Pay Policy Statement.

The profile of the Authority currently consisted of:-

- 66% of the workforce was aged over 40, with 21% aged 55 or over.
- The average length of service within the Authority was 14.2 years.
- 62% of the workforce consisted of females, with 38% males.
- Within the 25% of the highest paid roles, females represented 48.1% of the workforce.
- 4.6% of the workforce had a disability.
- The Authority did not currently have any staff from BME backgrounds.

A Frosdick highlighted that the job evaluation methodology had limited the equal pay risk at the local authorities.

G Graham stated that the current principal risk in relation to the Authority's workforce was the age profile which was irrespective of gender, although there was a tendency for women to retire earlier than men. The average member of staff had worked for the Authority for 14 years, the majority of which were pensions administrators with extensive pensions knowledge.

It would be pertinent to invest in technology and to recruit a new younger workforce, to be trained and developed prior to the retirement of the existing staff members over the next few years, in order to eradicate the risk to the Authority.

Councillor Bainbridge queried whether there was an opportunity to recruit apprentices or work experience individuals to SYPA.

G Graham stated that consideration would be given to apprenticeships, which would help to address the imbalance of the age structure of the workforce. It would though, also be necessary to recruit individuals mid-career who had the relevant experience, together with apprentices and school leavers.

J Bailey commented that historically, he was not aware that the Authority had widely offered work experience to those still at school, although he would look into the matter further; SYPA had a good connection with the schools and academies within South Yorkshire.

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Councillor Bainbridge queried, if apprentices were to be recruited to the Authority, whether a financial incentive could be implemented for travel to the workplace in Barnsley.

J Bailey referred to the Authority's presence at the four local authorities; consideration would also be given to more agile working for the workforce in the future once the appropriate technology was in place.

RESOLVED – That Members:-

- i) Noted the Workforce Profile set out in Appendix A to the report.
- ii) Approved the Pay Policy Statement set out in Appendix B to the report.
- iii) Approved the adding of workforce issues to the Authority's risk register.
- iv) Instructed the Fund Director to develop proposals to address the risks and issues arising from the information contained in the report for inclusion in the refreshed Corporate Strategy.

19 QUARTER FOUR PERFORMANCE SNAPSHOT REPORT

The Authority was presented with the Quarter 4 Performance Snapshot Report for 2017/18. The report provided a summary of the various information and statistics previously considered by the Authority's Boards.

G Graham reported an improvement on the Administration performance during the quarter. It was noted that 29 new employer contacts had signed up to the Authority's interactive facilities during the quarter, which equated to 468 employers that were now registered for EPIC. Only 7 employers, which covered 114 active members, had not registered for EPIC.

RESOLVED – That Members noted the report.

20 POOLING UPDATE

A report of the Fund Director was submitted to provide Members with an update on developments in the process of pooling the Authority's investments within the Border to Coast Pensions Partnership (BCPP).

At the last Authority meeting, changes had been approved to the post-pooling structure, and the restructure process for the finance team had been completed without a negative impact on staff. Sharon Smith had been assimilated into the new role of Head of Investment Strategy; the new role of Investment Analyst would be advertised shortly. TUPE transfer arrangements had been agreed for six of the Authority's Investment staff to BCPP on 2 July 2018, to transfer on their current terms and conditions, and appropriate roles had been identified. BCPP would relocate to their new offices at Toronto Square in central Leeds at the beginning of June 2018.

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It had been agreed, as a result of the TUPE process, that the Authority would continue to manage the emerging market equities until September 2018, to enable BCPP to have a full staffing resource in place to manage the assets.

Members' attention was drawn to the proposals agreed at the last meeting of the BCPP Joint Committee and subsequent Board meeting, to appoint two 'shareholder' non-executive directors. Councillor Ellis sought Members' nominations via email consultation; the job description and role profile would be recirculated to Members.

G Warwick highlighted the requirement for Trades Union representative involvement.

Councillor Ellis stated that she had been very pleased with the negotiations that had taken place in South Yorkshire, which had always involved Trades Union representation. It was important that the public sector ethos was embedded within each stage of the BCPP.

Councillor Mounsey stated that it was vital to provide the four local authorities with an update position on the BCPP as soon as possible.

G Graham would arrange for the four local authorities to be provided with an update position; he had recently begun to discuss BCPP with the S151 officers at the local authorities. The BCPP Chief Executive and Chair would attend the Investment Board meeting on 21 June 2018, to update Members on the latest position.

Councillor Ellis suggested that a special S41 Briefing Note should be produced to provide a BCPP update to the four local authorities.

RESOLVED – That Members:-

- i) Noted the contents of the report and the progress being made with the pooling process.
- ii) Agreed that nominations in relation to the appointment of two 'shareholder' non-executive directors onto the BCPP be made via email consultation.
- iii) Noted that the job description and role profile for the BCPP 'shareholder' non-executive directors would be recirculated to Members for consideration.
- iv) Noted that a special S41 Briefing Note would be produced to provide a BCPP update to the four local authorities.

21 THE GENERAL DATA PROTECTION REGULATION

A report of the Head of Pensions Administration was submitted to update Members on progress with the continuing project to ensure compliance with the General Data Protection Regulation (GDPR) which became operative from 25 May 2018.

It was noted that Rob Winter, Head of Internal Audit and Corporate Anti-Fraud at BMBC had agreed to act as Data Protection Officer for the Authority.

A Frosdick made reference to a number of data sharing agreements that required updating for GDPR and where legal advice had been requested from BMBC. These

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were being worked through progressively to confirm compliance with the GDPR requirements. It was envisaged that the exercise would be completed by the next Authority meeting in October 2018.

J Bailey reassured Members that the contracts for the main providers i.e. software provider print houses and actuaries, with which the Authority exchanged personal data, were already GDPR compliant.

RESOLVED – That Members noted the contents of the report.

CHAIR