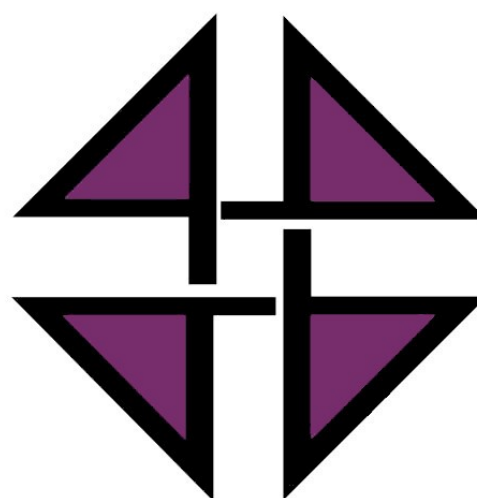


**South Yorkshire Pensions Authority and the
South Yorkshire Passenger Transport Fund**



SOUTH YORKSHIRE
LOCAL PENSION BOARD

ANNUAL REPORT 2015/16

Foreword

Welcome to the first annual report of the South Yorkshire Joint Local Pension Board (LPB).

The Board seeks to assist the South Yorkshire Pensions Authority and the South Yorkshire Passenger Transport Fund to maintain effective and efficient administration and governance. Members of the scheme can now have direct influence on how the fund is managed. The LPB comprises both scheme members, retired and active, together with employer representatives. Employer representation is not restricted to the four large local Councils.

Although we have only been in existence for a short time we have made a positive start by seeking information from our scheme management and have offered advice as necessary. Members have sought to equip themselves by undertaking training, as set out elsewhere in this report, and have established a work programme that will enable us to meet our obligations to ensure that the two funds comply with the relevant codes of practice and current legislation.

On establishment our constitution was provided by the two pension authorities. Since then we have agreed changes with the authorities that remove unnecessary restrictions on the scope of the LPB's ability to question and offer advice on investments. This demonstrates that, whilst not having direct control over the two funds, the LPB intends to work with the Funds on the widest possible range of issues. We have experienced cooperation from the Officers and fund authorities and will offer challenge if we feel it necessary in the best interests of the scheme membership.

Your pension funds face times of change and challenge. In no small part this is due to the Government's decision that Local Government Pension Scheme (LGPS) funds should establish large investment vehicles-dubbed by the Chancellor as "British Wealth Funds" -and that these funds should, in addition to achieving further efficiencies, seek to invest in large scale infrastructure projects. Naturally this has caused concern amongst many, especially since South Yorkshire is already amongst the best performing and efficient funds in the LGPS. However, your LPB has been kept informed and has offered advice and will continue to do so. We are content that the authorities governing, and Officers running your funds, have made the most advantageous decisions in the circumstances. Please be assured that your LPB will continue to monitor and work with the administering authority to safeguard our funds.

I would like, on behalf of the Joint Local Pension Board, to thank the Officers of the South Yorkshire Pension Authority and the South Yorkshire Passenger Transport Fund, and the Chairs and Members of our two local pension funds for their help and cooperation in establishing our Board and for their continued commitment. We look forward to working together in the future.

Glyn Boyington, Chair

A handwritten signature in black ink, appearing to be 'Glyn Boyington', written in a cursive style.

Membership

Employee Representatives

Glyn Boyington - LGPS Member (Chairman)

Garry Warwick (GMB) - Trades Union

Kevin Morgan (UCATT) - Trades Union

Nicola Doolan (Unison) - Trades Union

Susan Ross - LGPS Member

Steve Carnell - SYTPPF Member

Employer Representatives

Jill Thompson (Action Housing) - Admitted Body (Vice-Chair)

Geoff Berrett (South Yorkshire Police) - 'Other Large Employer'

Melanie Priestley (St Mary's Academy Trust) – Academy

Councillor Tony Corden - Local Authority Member (Doncaster)

Councillor Ben Curran - Local Authority Member (Sheffield)

Vacancy – (South Yorkshire Passenger Transport Pension Fund)

Member Attendance

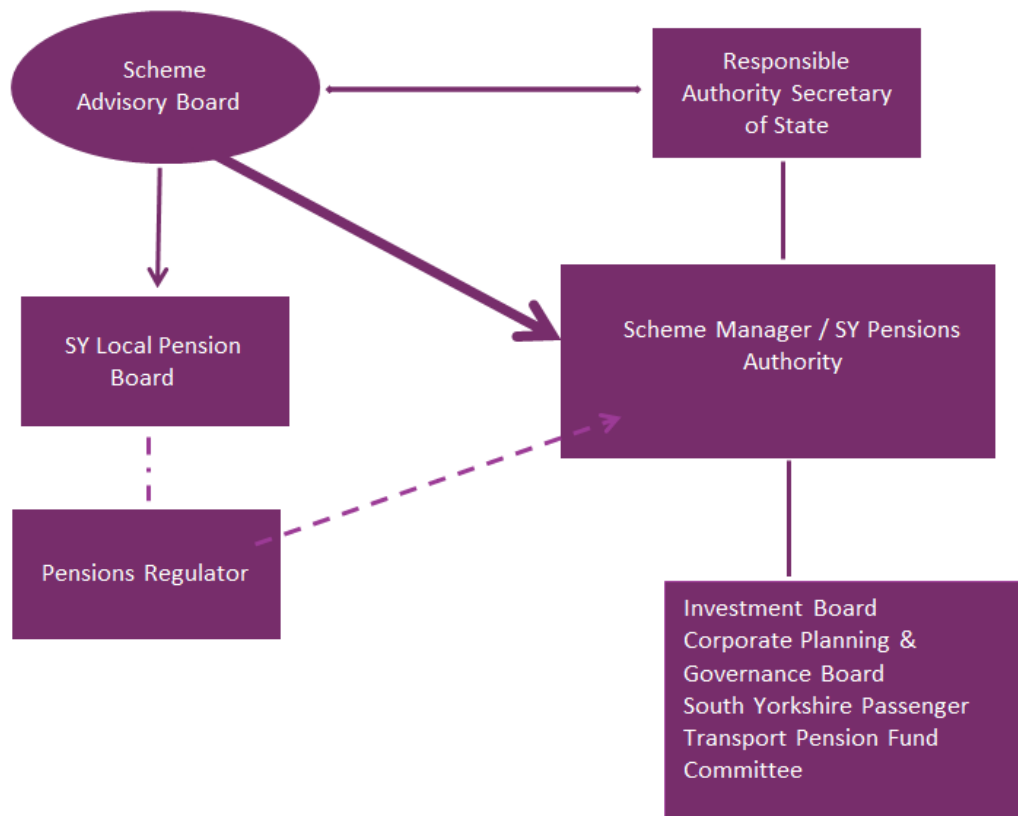
Attendance at the LPB meetings has been positive with members and employer representatives freely giving their time and commitment. Indeed 6 members have achieved 100% attendance over the year.

Role of the LPB

The role of the Local Pension Board as defined by Sections 5(1) and (2) of the Public Service Pensions Act 2013 is to:

- Secure the effective and efficient governance and administration of the LGPS for the South Yorkshire Pension Fund and South Yorkshire Passenger Transport Pension Fund;
- Provide the Scheme Manager with such information as it requires to ensure that any member of the Local Pension Board or person to be appointed to the Local Pension Board does not have a conflict of interest;
- Ensure the South Yorkshire Pension Fund and South Yorkshire Passenger Transport Pension Fund effectively complies with the Code of Practice on the Governance and Administration of Public Service Pensions Schemes issued by the Pensions Regulator and is effectively managed and administered in compliance with the Code.

Governance Structure



Work of the Board 2015/16

The Board held its inaugural meeting on the 23rd July 2015 and has met on a quarterly basis since that time.

In meeting its statutory requirements the Board has during the year:

- Developed and agreed in conjunction with the Pensions Authority, a model Constitution and Terms of Reference
- A Conflict of Interests Policy
- A Work Programme
- A Member Learning and Development Strategy
- A Budget to cover all associated costs of the Board.

In particular the Board requested and the Pensions Authority agreed to make amends to the model **Constitution** adopted which included increasing the frequency of meetings of the Board and removing text which was deemed excessive and it was felt prevented transparent discussion in the spirit of the legislation.

The Board agreed an initial **Work Programme** but acknowledged that this was a fluid document and one which would evolve as Members knowledge and understanding of their role evolved. Agreement has been reached so as to ensure specific issues set out in Government Guidance were cross referenced and gaps included in the Work Programme, for the avoidance of doubt. Members of the Board receive all **agenda papers** issued to Members of the Pensions Authority.

In considering all agenda papers presented to the Authority, the Board has in particular sought clarification on the following:

- **Annual Fund Member Survey** – Additionally Members of the Board were invited to the Annual Fund Member Event held at Doncaster Racecourse
- **2016 Actuarial Valuation** – The Board have been kept informed on progress in compiling relevant data in support of the valuation
- **Revised Risk Management Policy** – The Board in conjunction with the Authority is in full agreement that revisions were required to the Authority's approach to risk management in order to ensure a greater understanding of links between strategic and operational risks and to provide scope for greater challenge
- **Government Consultation on Revoking and Replacing the Management and Investment of Fund Regulations** – A number of sessions were held with the Authority to which Members of the Board were invited so as to make all parties aware of the work taking place in South Yorkshire to address the implications of the proposal
- **South Yorkshire Pensions Administration Strategy 2016/17** – The Board were briefed as to the approach the Authority has adopted particularly in relation to processing employer contributions

- **Investment Pooling Update** – The Board were party to discussions between Authority Members and officers on the negotiations taking place with prospective authorities on establishing joint pooling arrangements
- **External Audit Arrangements** – The Board, through the receipt of all Authority papers was kept fully briefed on the work of the Authority’s External Auditors KPMG and has been invited to assist in the process of appointing our new external auditors over the forthcoming year.

Training and Development

The Board has in place a Training and Development Strategy similar to that of the Authority and both bodies have acknowledged the requirement to undertake training and development in tandem for mutual benefit and to provide value for money in training delivery.

Since inception Board Members have received the following training/development support:

- Induction – Fund Director/Head of Pensions Administration;
- The Effective Audit Committee – Head of Audit, Barnsley MBC
- Treasury Management Training - Associate Director, Capita Asset Solutions
- The Pensions Regulator Information Pack
- The Pensions Regulator Public Service Toolkit
- The Pensions Regulator Pension Scams Action Pack
- Pension Fund Investment in Fossil Fuels – LAPFF

Future Plans

We aim to:

- Continue to work with the Officers and Members of the Authority and Transport Fund with a view to becoming more integrated into their decision making forums in order to be able to have influence on the outcome of events.
- Marketing the work of the LPB through articles within the news letters issued by the Pensions Authority and participation at the annual fund meetings
- Undertake training/workshop style events for members of the LPB as appropriate