

SOUTH YORKSHIRE PENSIONS AUTHORITY**27 NOVEMBER 2014**

PRESENT: Councillor P Wootton (Chair)

Councillors: J Campbell, S Ellis, K Rodgers, A Sangar and B Webster

Trade Unions: R Askwith (Unison) and G Boyington (Unison)

Officers: J Hattersley (Fund Director), G Chapman (Head of Pensions Administration), B Clarkson (Head of Finance), F Foster (Treasurer), M McCarthy (Deputy Clerk), R Bywater (Principal Policy and External Relations Officer) and M McCoole (Senior Democratic Services Officer)

Apologies for absence were received from Councillor R Wraith, Councillor E Butler, Councillor B Lodge, Councillor L Rooney, Councillor M Stowe, Councillor J Wood, F Tyas, G Warwick, J Bell and A Frosdick

1 **APOLOGIES**

Apologies for absence were noted as above.

2 **ANNOUNCEMENTS**

Councillor Wotton welcomed R Askwith, Unison representative, to the meeting.

3 **URGENT ITEMS**

None.

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

None.

5 **DECLARATIONS OF INTEREST**

None.

6 **MINUTES OF THE AUTHORITY MEETING HELD ON 2 OCTOBER 2014**

RESOLVED – That the minutes of the Authority meeting held on 2 October 2014 be signed by the Chair as a correct record.

7 **MINUTES OF THE INVESTMENT BOARD HELD ON 18 SEPTEMBER 2014**

RESOLVED – That the minutes of the Investment Board held on 18 September 2014 be noted.

8 MINUTES OF THE CORPORATE PLANNING AND GOVERNANCE BOARD HELD ON 13 NOVEMBER 2014

RESOLVED – That the minutes of the Corporate Planning and Governance Board held on 13 November 2014 be noted.

9 WORK PROGRAMME

Members were presented with a copy of the cycle of future meetings work programme to 19 March 2015.

M McCarthy referred to the reform to the Local Government Pension Scheme (LGPS) and the requirement for a Local Pensions Board to be established by 1 April 2015. At the last meeting, Members had agreed to establish a Member Working Group which would work towards developing terms of reference for the Board, ensure the Authority was compliant from 1 April 2015, and present a work programme to the Authority for approval. M McCarthy would seek nominations from at least one Member from each local authority for the Group, in addition to the Chair and Vice Chair.

M McCarthy hoped that the first meeting of the Member Working Group would be scheduled before Christmas 2014; alternatively an early stage working paper would be sent out to Members for consultation, for officers to work on during the Christmas period, and the first meeting would be held early in the New Year.

RESOLVED – That:-

- i) Members noted the contents of the report.
- ii) Nominations be sought from Members to establish a Member Working Group.

10 SECTION 41 FEEDBACK FROM DISTRICT COUNCILS

Councillor Rodgers reported that DMBC were working on budget implications, and were working with a large leisure trust and ALMO Housing, to focus on pension liability moving forwards.

Councillor Wootton commented that budget implications had been discussed at a recent meeting at RMBC.

Councillor Wootton added that the Section 41 Member Briefing Notes, sent from the Authority to Members, were always very well received.

11 QUARTER 2 PERFORMANCE SNAPSHOT REPORT

Members were presented with a copy of the Business Planning and Performance Framework's Snapshot Report for 2014/15 quarter 2.

Councillor Webster referred to the transactions with Members involving 14073 cases, of which 72.5% were on target, and he queried when this would be back on track.

G Chapman commented that this had resulted from the new system being implemented. Only urgent case work had been undertaken during the last 10 days; it was expected to take approximately 6 weeks to get back on track once the new system was running smoothly.

RESOLVED – That the contents of the report be noted.

12 REVENUE ESTIMATES 2015/16 - ADMINISTRATION AND INVESTMENT MANAGEMENT EXPENSES

A report of the Treasurer was submitted to consider the Authority's draft revenue estimates for 2015/16 in respect of administration and investment management expenses, in the context of the continuing financial constraints facing public services, and to approve the levy under the Levying Bodies (General) Regulations 1992.

Councillor Wootton thanked F Foster and B Clarkson, on behalf of the Authority, for the work undertaken.

RESOLVED – That Members:-

- i) Approved the revised estimates for 2014/15 in the sum of £5,436,800 including the use of reserves of £34,100.
- ii) Approved a levy of £523,000 for 2015/16 in accordance with The Levying Bodies (General) Regulations 1992.
- iii) Noted the preliminary forecasts for 2015/16, and refer the estimates to the District Councils for comment.

13 OPENNESS OF LOCAL GOVERNMENT REGULATIONS 2014

A report of the Monitoring Officer was submitted which reported on the requirements of the Openness of Local Government Bodies Regulations 2014 and recommended amendments to the Authority's Standing Orders regarding recording of meetings in order to comply with the new legal framework.

Councillor Ellis referred to members of the public recording Authority meetings, and queried whether the Authority could request a copy of the recording.

M McCarthy commented that the Authority could not demand a copy of the recording, but could enquire where the individual intended to upload the recording to. The Authority would endeavour to reiterate that the meetings were webcast, which may reduce the number of people wishing to make their own personal recordings. The Authority was presented with an annual report, which detailed the total number of webcast viewings.

RESOLVED – That Members agreed:-

- i) That the requirements of the Openness of Local Government Bodies Regulations 2014 as outlined in this report be noted.
- ii) That, accordingly, Standing Order 15 be amended to read as follows:-
15.1 Any person who attends a public meeting for the purpose of

reporting on the meeting may use any communication method, including the internet, to publish post or otherwise share the results of a person's recording activities. Reporting means:-

- i) Filming, photographing or making an audio recording of the proceedings at a meeting.
 - ii) Using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
 - iii) Reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later to persons not present.
- 15.2 Oral reporting or oral commentary on a meeting is not permitted if the person reporting or providing the commentary is present at the meeting.
- 15.3 Any photography or audio/visual recording must take place from a fixed position in the meeting room approved by the Chair so as to minimise disruption.
- 15.4 The use of flash photography or additional lighting will only be permitted for a limited period during the meeting at a point in the proceedings agreed in advance with the Chair.
- 15.5 If the Chair feels that any photography, audio or visual equipment is disrupting the meeting in any way or any pre-meeting agreement has been breached then the operator of the equipment will be required to stop.
- 15.6 If, during the course of a meeting, a motion is passed to exclude the public and press because confidential information is likely to be disclosed, then all rights to record the meeting are removed and the operator of the equipment will be required to stop recording/photography.
- 15.7 The Authority may webcast meetings of the Authority and its sub-committees.
- iii) That given the statutory nature of the required amendment to Standing Orders, it be noted that Standing Order 33 (Variation and Revocation of Standing Orders) does not apply in this case.

14 BOARD CHAIRS' REPORTS

Councillor Wootton referred to the integration of the South Yorkshire Joint Secretariat into BMBC and the agreement, in principle, that support services previously provided by SYJS be provided by BMBC with effect from April 2015; the formal agreement between the Council and the Authority to be amended accordingly. South Yorkshire Leaders and BMBC officers would monitor the integration process, and ensure that Joint Authority Members be kept fully informed. He also reiterated the Authority's view that it could obtain support services from other providers where appropriate.

Members were informed of the key issues arising from the Investment Board meeting held on 18 September 2014:-

- a) WM Company had given a presentation, on the Fund's investment performance over the year ending March 2014, and had highlighted the following key points:-

- During 2013/14 the weighted average return from UK equities had been 11.3%, UK corporate bonds had returned 2%; property had returned 11% and the total assets return was 6.4%.
 - Over the last 20 years the average local authority had returned more than 7% per annum, with inflation running at 3%.
 - The Fund was doing an efficient job in terms of converting returns to the level of risk adopted.
- b) The Quarterly Report reviewed the performance of the Fund during the quarter ended 30 June 2014, and highlighted that the Fund had returned 2.4% against the expected return of 2.5% during the quarter, with the Fund valuation rising from £5519.2m to £5642.4m.

Members noted that the Review of Pensions Administration Report had indicated that the new administration system would go live on 24 November 2014. My Pension online services would not be available during the implementation of the new system but that the Authority was aiming to roll out a new online service in the New Year.

282 employers were registered with EPIC and 20 new employers had been admitted to the Fund during the period. The new 2014 Scheme had added a new layer of complexities on top of the old Scheme, which continued for pensioners and leavers prior to 1 April 2014. He noted that the latest stage of proposed reform focussed upon introduction of additional scrutiny and required the establishment of a local pensions board by 1 April 2015. The Authority had submitted its response to the consultation prior to 21 November 2014, and the outcome was awaited.

Councillor Wootton gave thanks to the officers for the excellent work provided over the last year.

15 LGPS ADVISORY BOARD: ANNUAL REPORT

A report of the Fund Director was submitted to bring to Members' attention the publication by the Shadow Advisory Board of the first Annual Report for the Local Government Pension Scheme.

Members noted the following main points:-

- Total LGPS membership was 4.8m people.
- There were 9,340 employers in the 89 funds.
- The average age of an active LGPS member was 47 and the average salary was £22,000.
- The average pensioner age was 67 and the average pension was £5,000 per annum.
- The LGPS enjoyed a positive inward cash flow of £12bn which exceeded outgoings of £9bn.
- The size of the average administering authorities' governing body was 10 members.
- Total LGPS assets under management was £180bn which made it one of the largest funded pension schemes in the world.
- The average investment return for 2012/13 was +12.5% after fees.
- 41% of LGPS funds were in pooled vehicles with 38% in equities.

- LGPS liabilities were estimated to be £227bn which equated to an overall funding level of 79%.

RESOLVED – That Members noted the report.

16 ANNUAL FUND MEETING

A report of the Communications Manager was submitted which reported on the Annual Fund Meeting held on 9 October 2014.

The Annual Fund Meeting had been attended by 84 Members:-

- 68 Pensioners
- 10 Contributors
- 2 Deferred Members
- 2 Representatives from employing bodies
- 2 Councillors

Members noted that a full recording of the meeting was available to view at <http://www.youtube.com/user/SYPensions>.

Councillor Wootton commented that The New York Stadium, home of Rotherham United Football Club, had been an excellent venue.

Councillor Ellis added that the event had been well organised, and had been delivered in a friendly and informative manner; she gave credit to employees across the board.

RESOLVED – That Members noted the contents of the report.

17 TRADES UNION REPRESENTATION ON BOARDS

A report of the Deputy Clerk was submitted to inform the Authority of the appointment of a Unison representative to the Investment Board.

Members noted that a vacancy for a Trades Union representative on the Investment Board had arisen, following M Stowe's resignation because of his appointment onto the Pensions Authority as a BMBC representative.

Ms Ruth Askwith had been nominated by Unison as their representative on the Investment Board.

RESOLVED – That Members noted the appointment.

CHAIR