

SOUTH YORKSHIRE PENSIONS AUTHORITY**19 MARCH 2015**

PRESENT: Councillor P Wootton (Chair)
 Councillor R Wraith (Vice-Chair)
 Councillors: E Butler, S Ellis, B Lodge, K Rodgers, L Rooney,
 A Sangar, M Stowe and B Webster

Trade Unions: G Boyington (Unison), G Warwick (GMB) and
 F Tyas (UCATT)

Officers: G Chapman (Head of Pensions Administration),
 A Frosdick (Monitoring Officer), M McCarthy (Deputy Clerk),
 M McCoolle (Senior Democratic Services Officer), I Rooth
 (Head of Technical Services BMBC), D Hanson (HR Link
 Advisor) and S Smith (Head of Investments SYPA)

Apologies for absence were received from Councillor
 J Campbell, Councillor J Wood, R Askwith, J Hattersley,
 B Clarkson, F Foster, J Bell and R Bywater

1 **APOLOGIES**

Apologies for absence were noted as above.

2 **ANNOUNCEMENTS**

None.

3 **URGENT ITEMS**

None.

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

RESOLVED – That the following agenda items be considered in the absence of the public and press:-

Item 16 'Treasury Management Strategy Statement 2015/16'.

Item 17 'Debt Write Offs'.

Item 18 'Release of Preserved Benefits – Compassionate Grounds.'

5 **DECLARATIONS OF INTEREST**

None.

6 MINUTES OF THE AUTHORITY MEETING HELD ON 15 JANUARY 2015

RESOLVED – That the minutes of the Authority meeting held on 15 January 2015 be signed by the Chair as a correct record.

7 WORK PROGRAMME

Members were presented with a copy of the cycle of future meetings work programme to 11 June 2015.

RESOLVED – That Members noted the contents of the report.

8 SECTION 41 FEEDBACK FROM DISTRICT COUNCILS

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

9 BOARD CHAIRS' REPORTS

Councillor Wootton highlighted the following key points which had arisen over the previous few months:-

- In accordance with the compulsory transfer of members employed by the Probation Service, on 1 December 2014 a total of £115m had been transferred to the Greater Manchester Pension Fund.
- The Authority had responded to the DCLG consultation on governance.
- The Authority had won a Local Government Property Award for 2014.
- Further consultation had been undertaken on the governance and the introduction of the Local Pensions Board (LPB); there was a requirement for the LPB to be up and running by 1 April 2015.
- Following a tender process a consultant had been appointed to assist in the search for a manager of a buy and maintain bond mandate. Manager interviews would be held in mid April 2015 with an appointment target date of July 2015.
- The restructuring of the internally managed bond portfolios had begun in January. The draft Local Government Pensions Amendment Regulations had been issued by DCLG on 5 December 2014 and responses had been invited by 30 January 2015; Members had agreed that a response be sent to DCLG on behalf of the Authority.
- It had been another tough year for the authority, as it had attempted to balance the need of affordability, stability, prudence and sound governance, together with meeting the various challenges that the government and present day finances thrust upon the Authority.

Councillor Wootton commented that after over 30 years of service as a Councillor he would be standing down from his position when his term of office expired in 2015. Councillor Wootton added that the support he had received from his fellow Councillors in his capacity of Chairman had been greatly received and appreciated; he gave his sincere thanks to the Vice Chair, officers and staff, in particular the Fund Director, Head of Pensions Administration and Head of Investments for the assistance provided to him.

Members and officers expressed thanks to Councillor Wootton for all of his work provided to the Authority, and wished him the very best for the future.

Councillor Wraith requested that the Authority's sentiments to Councillor Wootton be placed on record, together with the thanks given to officers for the work undertaken during the last 12 months.

10 LOCAL GOVERNMENT PENSIONS SCHEME - ESTABLISHMENT OF LOCAL PENSION BOARD (LPB)

A report of the Clerk was submitted to update the Authority on the work undertaken to date in establishing a Local Pension Board (LPB) in accordance with Section 5 of the Public Service Pensions Act 2013.

M McCarthy gave thanks to the Members who had attended the Member Working Group, which had met following the last Authority Meeting in January 2015.

Members noted that formal approval had been sought from the Secretary of State for Communities, for the establishment of a Joint Board for the two administering authorities (LGPS and South Yorkshire Passenger Transport Pension Fund).

M McCarthy acknowledged the upcoming local elections, which would be a busy period for Members; he added that if the recommendations to the report were approved that appointment to the LPB would be made, initial training would be provided, and members of the LPB would be invited to the Authority's AGM on 11 June 2015, with a view to the first LPB meeting being held the following week.

Councillor Ellis suggested an amendment to the Constitution and Terms of Reference at Section 10.3, to indicate that the quorum for a meeting of the Board should be three members, with at least one member from each side.

Councillor Wraith suggested that the LPB be reviewed after a period of 12 months, and that any necessary adjustments to its' Constitution and Terms of Reference be made.

RESOLVED – That Members:-

- i) Noted the steps taken to date in establishing a Local Pensions Board.
- ii) Agreed the LPB Constitution and Terms of Reference set out in Appendix A as of 1 April 2015; subject to an amendment at Section 10.3, to indicate that the quorum for a meeting of the Board should be three members, with at least one member from each side.
- iii) Agreed the timetable for appointment to the LPB and the date of the first meeting.
- iv) Agreed that the LPB be reviewed after a period of 12 months, and that any necessary adjustments to its' Constitution and Terms of Reference be made.

11 QUARTER 3 PERFORMANCE SNAPSHOT REPORT

Members were presented with a copy of the Business Planning and Performance Framework's Snapshot Report for 2014/15 Quarter 3.

The Head of Pensions Administration updated the Board on the summary of statistics to 31 December 2014. Members noted that the usual casework performance statistics were currently unavailable for the reporting period, as a result of the reporting facilities not yet being fully developed on the new system; this was hoped to be reported to the June 2015 Board meeting.

Councillor Wraith gave thanks, on behalf of the Board, to the Head of Pensions Administration and his team, for the work undertaken during the transitional period onto UPM, the new pension's administration system.

RESOLVED – That the contents of the report be noted.

12 REVIEW OF CORPORATE STRATEGY

A report of the Clerk was submitted to ask Members to defer reviewing the Authority's Corporate Strategy until such time as the outcome of the various Government consultations regarding the future of the Local Government Pension Scheme was known.

RESOLVED – That Members agreed that no further review of the Authority's Corporate Strategy be considered until such time as the implications of the various proposed changes to the structure of the Local Government Pension Scheme had been clarified.

13 MEETINGS OF THE AUTHORITY AND BOARDS 2015/16

A report of the Clerk was submitted to consider the proposed schedule of Authority and Board Meetings during 2015/16.

M McCarthy commented that the Authority had liaised with colleagues in the districts to ensure there were no meeting clashes; if the cycle of meetings was approved today, the Authority would check the meeting dates again with the districts following the AGM's.

RESOLVED – That Members approved the following cycle of meetings for 2015/16:-

Pensions Authority	Corporate Planning & Governance Board	Investment Board
	2015	

11 June (Annual)*	18 June*	25 June*
	23 July	
		17 September
1 October		
	19 November	
3 December		10 December
	2016	
14 January		
		10 March
17 March	24 March	
9 June (Annual)	16 June	23 June

* Meeting dates already arranged

14 HUMAN RESOURCES - PROPOSAL TO IMPLEMENT THE NJC PAY AWARD FOR JNC OFFICERS 2014/16

A report of the Fund Director was submitted to seek Members approval to implement a single pay award for officers on both NJC* and JNC* conditions.

Members noted that in April 2014, BMBC who had previously operated a two tier pay structure and two evaluations systems, had introduced one pay structure and had used the nationally agreed job evaluation scheme for all jobs; BMBC now applied the NJC pay award across its whole pay structure.

RESOLVED – That Members endorsed the decision of the Chair and Vice Chair to approve the proposal to implement the NJC pay award to employees on JNC terms and conditions.

15 HUMAN RESOURCES - JNC OFFICERS EVALUATION

A report of the Fund Director was submitted to seek Members endorsement of the Chair and Vice-Chair's decision to award a job evaluation contract to Barnsley MBC regarding the Authority's officers on JNC* conditions.

Members noted that a job evaluation exercise had been undertaken by external consultants (Hay) in 2008 on behalf of the Authority for all staff engaged on NJC terms and conditions; the job evaluation exercise did not include the senior management team who were percentage linked to the senior officer (who was the Clerk and Treasurer/Head of Paid Service). The new job structure had been implemented in April 2009.

RESOLVED – That Members endorsed the decision of the Chair and Vice Chair to approve the proposal to appoint Barnsley MBC to conduct a job evaluation of employees on JNC terms and conditions.

16 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 items 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.

17 TREASURY MANAGEMENT STRATEGY STATEMENT 2015/16

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

RESOLVED – That:-

- i) The Authority adopted the Annual Investment Strategy and recommendations set out in Appendix I to the report.
- ii) In accordance with Section 3 (1) of the Local Government Act 2003, the Authority approved an Affordable Borrowing Limit, on a rolling basis for the forthcoming year and two successive years as outlined in Appendix II to the report, the amount being the maximum amount the Authority could afford to borrow.
- iii) The Authority would keep the above under review.

18 DEBT WRITE OFFS

A report of the Treasurer was submitted to authorise the write-off of the outstanding rent accounts relating to the Fund's commercial property portfolio.

RESOLVED – That Members authorised the write-off of the outstanding rent accounts.

19 RELEASE OF PRESERVED BENEFITS - COMPASSIONATE GROUNDS

A report of the Head of Pensions Administration was submitted to seek a decision from Members in relation to a request from a former Kier Group PLC employee for the release of preserved benefits on compassionate grounds.

RESOLVED – That Members:-

- i) Reviewed the circumstances surrounding the request for the release of preserved benefits as attached at Appendix A to the report.
- ii) Made a decision to release the benefits.

CHAIR