

# SOUTH YORKSHIRE PENSIONS AUTHORITY

21 JANUARY 2021

PRESENT: Councillor M Stowe (Chair)  
Councillor J Mounsey (Vice-Chair)  
Councillors: A Atkin, S Cox, J Gilliver, A Murphy, C Rosling-Josephs,  
A Sangar, A Teal, N Wright and T Yasseen

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

Investment Advisors: A Devitt

Officers: J Bailey (Head of Pensions Administration), N Copley  
(Treasurer), G Graham (Director), G Kirk (Monitoring Officer),  
M McCarthy (Deputy Clerk), G Richards (Senior Democratic Services  
Officer) and G Taberner (Head of Finance and Corporate Services)

Apologies for absence were received from Councillor A Law and  
L Robb

## 1 APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies 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 Item 12 ‘Property Debt Write-Offs’ be considered in the absence  
of the public and press.

## 5 DECLARATIONS OF INTEREST.

None.

## 6 MINUTES OF THE AUTHORITY MEETING HELD ON 10 DECEMBER 2020

RESOLVED – That the minutes of the meeting held on 10<sup>th</sup> December 2020 be  
agreed as a true record.

7 SECTION 41 FEEDBACK FROM DISTRICT COUNCILS

None.

8A CORPORATE STRATEGY UPDATE

A report was submitted which sought to secure approval of the updated Corporate Strategy covering the next three years.

Members noted that every aspect of the Authority's work over the last 12 months had been fundamentally affected by the Covid-19 pandemic. While services had been maintained and many corporate strategy projects had progressed over the year, progress had been generally slower than planned.

Given this, the update carried forward a number of projects from the previous update and rescheduled completion of some longer term projects to reflect the impact of Covid-19 on the previously planned timelines. The agenda remained broadly the same with a focus on:

- Investing in the development of staff.
- Investing in technology.
- Delivering the changes to the investment strategy including the move to a net zero target.
- Delivering the Authority's new accommodation as approved at the last meeting.

It was noted that in response to the recommendations contained in the Hymans Robertson Governance Review an additional corporate objective had been added that related to scheme funding.

RESOLVED – That the updated Corporate Strategy, at Appendix A to the report, is approved.

8B PENSIONS AUTHORITY BUDGET 2021/22

A report was considered which presented the Authority's budget proposals for 2021/22 for approval.

Members were informed that the overall aim of the budget process was to ensure that the organisation's financial resources and allocations were determined on the basis of supporting the achievement of the corporate aims and objectives set out in the Authority's Corporate Strategy.

Members were reminded that the budget for 2020/21 was prepared on the basis of a detailed review of resource requirements in order to provide the required investment in a range of areas to support delivery of the Authority's corporate priorities.

As reported during the course of the year, the impact of Covid-19 had slowed some of the progress in these areas, therefore many of the priorities remained to be carried forward into 2021/22.

## **Pensions Authority: Thursday 21 January 2021**

It was noted that the overall budget requirement was for a total of £5,445,600 representing a freeze in cash terms on the 2020/21 budget. A table within the report provided an overall summary of the main changes proposed within the budgets for employee costs and running costs.

Members noted that there were currently two apprentices in post in Pensions Administration; in next year's budget there was provision for an apprentice within Finance and Corporate Services and also one within the IT team.

Cllr Murphy requested information on the recruitment of apprentices and what equality and diversity processes were followed including age, gender etc.

G Taberner reported that the recruitment process was done in conjunction with the learning provider. The Authority had an Equality and Diversity Strategy which was followed and had a HR Business Partner who ensured that all policies were followed.

J Bailey commented that the apprenticeship scheme was under the National Apprenticeship Arrangement which was for 16-24 year olds.

In terms of wider equality and diversity, there was more work to be done in terms of the diversity of the workforce. The Authority was compliant with the rules but it was recognised that there was more that could be done in terms of encouraging applicants from more diverse backgrounds.

There were plans to engage with an equality and diversity organisation to provide training for all staff and to provide pointers as to where the Authority could widen the net in term of recruitment.

G Graham agreed and commented that the Authority also needed a workforce that was evenly distributed across all age ranges. Although this had improved over the last few years, the average age of employees was around 45 which meant there was more work to do in this area. It was also important that the Authority's workforce reflected the diversity of scheme members.

The Authority had managed, in the last few years, to generate wider and better qualified interest in the vacancies that had been advertised and it was hoped to build on this.

Members were reminded that the funds in the Capital Projects were earmarked for the funding of projects including the Long Term Accommodation project, the replacement of Business Systems and for potential costs that would arise in relation to the Pensions Administration software. It was expected that funds would be required from this reserve during 2021/22 but, as yet, the details of the amounts required and timing were uncertain and therefore this had not been included in the budget forecast for the earmarked reserves. This would be kept under review and reported to the Authority for approval as required.

**RESOLVED** – That Members approve the 2021/22 budget for the Authority at a total of £5,445,600.

**8C MEDIUM TERM FINANCIAL STRATEGY 2021/22 TO 2023/24**

A report was submitted which presented the Authority's Medium Term Financial Strategy 2021/22 to 2023/24 for consideration and approval.

Members noted that the Medium Term Financial Strategy (MTFS), which was attached as an appendix to the report, presented the financial forecasts for the Authority and for the Fund. It was designed to support the delivery of the policy position and objectives set out in the Corporate Strategy and was updated annually at the same time as that strategy so that the financial objectives aligned with the corporate objectives.

The MTFS also provided a framework of rules within which the Authority would determine the resources available to fulfil its functions. In the updated MTFS the framework remained in place and the specific measurable financial objectives and limits within it had been updated as appropriate to meet the needs and circumstances of the Authority over the next three years.

RESOLVED – That Members approve the Medium Term Financial Strategy 2021/22 to 2023/24.

**8D TREASURY MANAGEMENT STRATEGY**

A report was considered which fulfilled the Authority's legal obligation under the Local Government Act 2003 to "have regard to" the following guidance:

- a. The CIPFA Prudential Code of Practice (2017);
- b. The CIPFA Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes (2017);
- c. MHCLG Statutory Guidance on Local Authority Investments (2018); and
- d. MHCLG Statutory Guidance on Minimum Revenue Provision (2018).

Members were informed that the Authority would receive reports on its Treasury Management activities including, as a minimum, an annual strategy for the forthcoming year, an annual report after year end and interim updates as part of the quarterly corporate performance reports.

The annual strategy report was forward looking and included:

- a. The Treasury Management Strategy, including treasury indicators.
- b. The Investment Strategy.
- c. To the extent that they applied to the Authority, capital plans, prudential indicators and minimum revenue provision policy statement.

Members were reminded that the responsibility for the implementation and regular monitoring of its treasury management policies and practices remained with the full Authority, and responsibility for the execution and administration of treasury management decisions was delegated to the Authority's Section 73 officer.

The report also gave details of training requirements, the Annual Investment Strategy and risk assessment and credit ratings.

RESOLVED - That Members approve:

- i) The 2021/22 Treasury Management and Annual Investment Strategy.
- ii) The Treasury and Prudential Indicators for 2021/22.
- iii) The Minimum Revenue Position statement as set out in the report.

9 STAFF SURVEY

A report was submitted which presented the results of the staff survey.

Members were reminded that the Authority undertook its last staff survey in 2018.

Concerns had been raised by some staff about the degree of anonymity possible in previous surveys and there were also concerns about the robustness of some of the questions. A need had also been identified to measure progress over time by creating an “engagement index” using the results of the survey. Consequently it had been decided to procure an external organisation to undertake the survey. Consultancy+ had been appointed using a national consultancy framework.

The survey had been carried out in November 2020 with the results being reported in December and shared with staff. A total of 82 responses had been received which represented approximately an 85% response rate. The detailed report was attached as an appendix to the report.

The broad results showed some improvement on 2018 although the two surveys were not directly comparable.

The three top areas identified were:

1. Treated fairly.
2. Collaborative teamwork.
3. Trusted to make decisions.

It was felt that there was room for improvement in:

1. Career path.
2. Role stimulation.

The areas highlighted as positive were all areas where there had been a significant degree of management focus over the last two years. The areas highlighted as areas for improvement had already been identified in the Corporate Strategy in the current year but progress had been impacted by Covid-19 and the need to work remotely. The areas would receive renewed focus and featured significantly in the update Corporate Strategy which was elsewhere on the agenda.

Cllr Atkin noted that although in the main responses were positive there seemed to be more negative responses from the IT Team.

J Bailey replied that the primary issue within the team was the lack of training opportunities. The issue was being addressed and would improve the resilience of the Team.

RESOLVED – That Members note the results of the staff survey and the actions incorporated in the updated Corporate Strategy elsewhere on the agenda.

10 REGULATORY UPDATE

A report was considered which provided members with an update on regulatory and policy developments.

The report detailed updates on:

- The £95k Cap.
- Employer Flexibilities.
- McCloud
- Reporting the Impact of Climate Change.
- Statutory Guidance on Pooling.
- Changes to Local Authority Audit Arrangements.

RESOLVED – That the various developments in the regulatory and policy environments as detailed in the report are noted.

11 EMPLOYER FLEXIBILITIES

A report was submitted to secure agreement in principle to the implementation of the new employer flexibilities and to the initiation of a consultation process with employers.

Members were reminded that, as previously reported to the Authority, the Government had made the Local Government Pensions Scheme(Amendment) No.2 Regulations 2020.

The regulations had introduced a number of flexibilities and the report considered whether the Authority should, in principle, seek to adopt them.

The flexibilities included:

- Reassessment of Contributions between Valuations.
- Debt Spreading Arrangements and Deferred Debt Agreements.
- Methodology for Calculating Termination Payments.

If the Authority resolved that it was minded to implement the various employer flexibilities and changes to the way in which termination payments were calculated, officers would then, in consultation with the Fund Actuary, develop policies on which employers would be consulted with a revised Funding Strategy Statement being brought to the June meeting for approval.

RESOLVED – That Members:

- i) Agree in principle that the Authority should implement the employer flexibilities provided under the LGPS Regulations.
- ii) Agree to initiate a consultation process with employers on the way in which the flexibilities should be implemented.
- iii) Agree to initiate consultation on changes to the least risk basis for calculating termination payments.

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.

12 PROPERTY DEBT WRITE-OFFS

A report was submitted to request the Authority's approval to write off irrecoverable debts relating to the Pensions Fund's commercial property portfolio.

RESOLVED – That Members approve the writing off of debts amounting to £44,871.08 including VAT relating to the commercial property portfolio.

CHAIR