



South Yorkshire

POLICE

South Yorkshire Police Pensions Board

Annual Report 2016/17

Foreword

Welcome to the annual report of the South Yorkshire Police Pensions Board.

The Board seeks to assist the Chief Constable, as Scheme Manager to continue to maintain effective and efficient scheme administration and governance arrangements.

Throughout the year the Board has discharged its duties by seeking information from the Force and offering advice as necessary. It has done this against a backdrop of considerable change.

Until relatively recently the Police Service has operated with the 1987 and 2006 final salary pension schemes. This situation changed from the 1st April 2015 when the Police Pension Scheme Regulations were introduced, modelled on a Career Average Revalued Earnings (CARE) framework. The complexities of this change continue to challenge the Force's Pensions Unit throughout 2016/17 and beyond, especially when coupled with the ever more complex and onerous annual and lifetime taxation allowance rules.

The role of the Pensions Board has never been more important than it has in the last twelve months in overseeing, advising and assisting in such a complicated and crucial area of work. I thank Pensions Board members and the Force's Pensions Manager and her colleagues for all that has been achieved during the year.

Zuleika Payne, Chair

Membership

Employee Representatives

Zuleika Payne
Police Federation
(Chair of Pensions Board)

Graham Cassidy
National Association of Retired
Police Officers

Alan Jones
National Association of Retired
Police Officers

Neil Thomas
Superintendents' Association

Employer Representatives

Nigel Hiller
Director of Resources
(Deputy Chair of Pensions Board)

Geoff Berrett
Head of Finance

Del Muhl
Assistant Head of HR Operations

Robert Fennessy
Exchequer Services Accountant

The above membership represents the position as at 31st March, 2017. The following individuals served during the 2016/17 financial year: Neil Bowles (Police Federation) and Tim Innes (Superintendents Association).

Governance Structure

The Force is legally required to have a pensions board under the Public Service Pensions Act 2013 and as governed by the Police Pension regulations 2015. This was established from the 1st April, 2015.

Overall responsibility for the regulation of the Police Pensions Scheme rests, at a national level, with the Home Secretary. Within forces, formal responsibility for the management and administration of the Scheme rests with the Chief Constable. For South Yorkshire, this responsibility is delegated to the Force's Director of Finance who is a chief officer member of the Force's Strategic Leadership Group.

The Scheme Manager's duties include ensuring that appropriate internal control, risk management and governance arrangements are in place, determining and paying benefits, collecting contributions, record keeping, maintaining the internal dispute resolution process and reporting breaches of law.

As required by the Regulations, the Scheme Manager has established the Force's Pensions Board to assist him in governing, managing and administering the Scheme.

Role of the Pensions Board

As well as assisting the Scheme Manager as requested, the Board's role, as defined by Regulation 10 of the Police Pensions Regulations 2015 is to secure compliance with;

- the Police Pensions Regulations
- any other legislation relating to the governance and administration of the Scheme (and any statutory pension scheme that is connected with it) and also
- any requirements imposed by the Pensions Regulator in relation to the Scheme and any statutory pension scheme that is connected with it.

In addition, Board members must ensure that their level of knowledge and understanding of scheme rules and pensions law is sufficient to discharge their role, report breaches of law and avoid conflicts of interest.

The Board has a formal Terms of Reference document which details its functions, composition, decision making arrangements, budget, conflict of interests responsibilities, knowledge and skills requirements and standards of conduct.

Meetings of the Board are held quarterly.

Work of the Board 2016/17

Three meetings were held during the year, on: 27th June 2016, 29th September 2016 and 17th January 2017.

The nature of the Board's work has continued to develop as its members' knowledge and understanding of their roles has evolved, in this the Board's second year. In particular :

Governance arrangements were debated, clarified and developed in relation to areas which included professional indemnity insurance, expense claim procedures, the publication of member details on the Force intranet and knowledge and skills requirements. The Board's Terms of Reference were revised accordingly.

Work was requested of officers, by the Board, in relation to advising members in key area such as annual allowances and arrangements for transferees. For the latter specific advice was provided to new recruits to stress to them the importance of obtaining documentation to substantiate past pension entitlement, particularly from organisations outside of the Police Service.

Oversight was applied, updates received and advice given in relation to those significant areas of work undertaken in the year by the Force's in-house Pensions Unit. Internal Audit reports, documentation on discretions and up to date information on the Protected Pensions Age matter were submitted to the Board.

Guidance was offered, by the Board on member self-service and in determining training requirements.

A key Force initiative which benefitted from the engagement and support of the Board, was the removal of routine, monthly pay-slips for pensioners which resulted in a significant efficiency saving for the Organisation.

Future Plans

At the beginning of July 2017 the Board benefitted from a comprehensive training session, provided by Eversheds. This was especially valuable for new members and it has, for the Board as a whole, provided an excellent opportunity to reassess both the way in which it operates, particularly given the information imparted in relation to the approach of other boards. It is likely that, following this session, that consideration will be given to introducing greater formality in terms of governance arrangements and a review will be undertaken on the nature of the information that is requested from the Force's pension Unit.

Particular challenges, with which the Board will engage, support and assist the Chief Constable in addressing include :

- the introduction of member self-service
- the evaluation of future pensions administration software support options
- a continuation of work in relation to guaranteed minimum pensions (GMP)
- oversight of the protected pensions age administration
- advising on annual allowance calculator / modeller
- reviewing Pensions Unit scheme of publication and member communication

Further information on national requirements is available from the Pension Regulator's Governance and Administration of Public Pensions Scheme Code of Practice.

