



South Tyneside Council

Local Pensions Board Minutes

22 December 2020

Present: Jim Woodlingfield (*in the Chair*), John Pearson, Tom Hunter, Nicholas Wirz, Mick Brodie, Chris Sharkey and Phil Smith

Ian Bainbridge (Head of Pensions)
Heather Chambers (Principal Pensions Manager)
Paul McCann (Principal Governance and Funding Manager)
Siân Forster-Purvis (Strategy and Democracy Support Officer)

Apologies: Councillor Hay

1. Declarations of Interest

J Woodlingfield, J Pearson, N Wirz, P Smith, T Hunter, C Sharkey, M Brodie, I Bainbridge, H Chambers and S Forster-Purvis declared non-pecuniary interests in all issues, as members of the Pension Fund.

They remained in the meeting for the discussion and determination of all matters.

2. Minutes of 20 October 2020

Resolved: That the minutes of the meeting held on 20 October 2020 be confirmed as a true record.

3. Local Pension Board Quarterly Report to Pensions Committee

The Chairman took that the report was for information and read only and no discussion took place on the item.

Agreed: That the report be noted.

4. Local Pension Board Governance Documentation

Submitted: Report of the Head of Pensions

The report detailed an overview of the proposed governance documents for the Board. The Board's views were sought on the documents and proposed changes.

The Board were happy on the whole with the proposed changes. The Board did however, request that the changes would only become effective, following the process for seeking new nominations for the Board, which is due to take place in April/May 2021. The one area where this would impact was with regard to the accession of the Vice Chair to the role of Chair with the new Board. Whilst the Board, agreed with the principle of removing this requirement, it was noted that the current Vice Chair accepted the role when this arrangement was in place.

The Board asked the Officers to consider the implications of making this change immediately or deferring this until the new Board was in place. It was noted that this was ultimately a decision for Pensions Committee, but the Officers agreed they would consider this request before making a recommendation to Committee.

The Chair of the Board noted that he would state in his report to the Committee, the Boards preference to defer the implementation date.

Two further amendments were suggested in respect of paragraphs 78 and 84/85 of the Governance Statement. These amendments were accepted by Officers and will be incorporated in the documents presented to Committee.

Agreed: That the report be noted.

5. Risk Management and Internal Audit

Submitted: Report of the Head of Pensions

The report set out the current position on the Fund level Risk Register and the internal audit programme.

As per the Board's request, they looked in more depth at two Risk's highlighted by the Officers.

Agreed: That the report be noted.

6. Data Quality – Annual Report

Submitted: Report of the Head of Pensions

The report updated the Board on matters relating to data quality in respect of pensions administration and member benefits.

It was noted that following the merger with Northumberland County Council Pension Fund, work was now complete on the integration of all member records into one database.

The Fund's data position was discussed in detail and the scores highlighted as presented in the report.

The Data Improvement Plan was included in the report for the Board. Any outstanding tasks from the previous plan had been carried forward.

Agreed: That the report be noted.

7. Chairman's Urgent Items

There were no urgent items to discuss.

8. Resolution to Exclude the Public

Resolved: That the public be excluded from the meeting for the remainder of the agenda items as they involve exempt information as defined in paragraphs 1 to 7 of Schedule 12a of the Local Government Act 1972.

9. Covid-19

Submitted: Report of the Head of Pensions

The report updated the Board on a number of areas where Covid-19 had impacted on the Fund and its operations.

During the Pandemic the safety and wellbeing of staff had been of paramount importance. It was reported that four members of staff had tested positive for Covid-19 and none had contracted the virus whilst at work. There was a small number of staff coming into the office. Strict social distancing guidelines and Covid safety protocols were in place.

A discussion was held on the format, frequency and content of the virtual meetings. It was noted that whilst there may be some merit in

holding additional meetings, it would be important not to create an additional administrative burden on officers. The Head of Pensions agreed to trial a session prior to the next meeting of the Local Pension Board to discuss a topic of interest. It was suggested that the topic could be business planning. It was noted that the agreement of the service plan for the next three years would be presented to the Committee in February and members of the Local Pension Board would be invited to this meeting on 2nd February 2021.

A discussion took place on the dates and topics for future training. A request was made for further training on climate change. It was also discussed whether the Board may also look to add this topic onto their annual programme of work. This could be considered in July, when the work programme for the next year is agreed.

Agreed: That the report be noted.

10. Performance Assessment

Submitted: Report of the Head of Pensions

The report detailed the requirement for the need for arrangements to be in place to measure performance of the committee and advisors and as a matter of good practice, a similar process had been adopted for the Board.

The report reminded the Board of the approach adopted and sought views of the areas of work to be included. The Board confirmed that they were comfortable with the approach being proposed.

Agreed: That the report be noted.

11. Pensions Processing and Breaches of the Law

Submitted: Report of the Head of Pensions

The report updated the Board on any matters relating to the reporting of breaches of the law around pensions processing and administration, individual employers and electronic systems.

Pensions processing had continued to be undertaken on a risk based approach whilst observing Covid-19 guidance. A focus had been put upon pensions payments, death processes and transfer values.

During the Covid-19 pandemic processing had been challenging. However, the Fund has continued to deliver services in line with the Pension Regulator's guidance and processing priorities. Performance against Disclosure Requirements was improving whilst the backlog was slightly higher than desired but has not risen to levels of previous years.

Electronic processing continued to provide efficiencies for both the Fund and employers. Further benefits had been gained from the launch of member mypension online services and the move to online annual pension updates.

The Board congratulated the team on keeping on top of queries in this area during difficult times.

Agreed: That the report be noted.

12. Code of Practice 14

Submitted: Report of the Head of Pensions

The report set out the background to the role of the Pensions regulator and Code of Practice 14. In addition, the report detailed a recent assessment of Aon Solutions UK Ltd regarding the fund's compliance with the Code.

The assessment undertaken Aon showed the Fund was largely compliant with Code of Practice 14 and no areas of material non-compliance had been identified.

Agreed: That the report be noted.

13. Monitoring of Scheme Employer Issues

The Chairman took that the report was for information and read only and no discussion took place on the item.

Agreed: That the report be noted.

14. Pensions Committee Minutes

The Board had received the full Pensions Committee Agenda for information. There was a discussion around the Fund's approach to managing Responsible Investment issues generally and climate change in particular. It was noted that when considering issues such as setting zero carbon targets, the Committee's fiduciary duty to members and employers, needed to be factored in and informed decisions taken.

Agreed: That the agenda, reports and minutes be noted.

15. Review of Meeting and Report to Pensions Committee

The Chairman would collate his report to the Pensions Committee and forward it to Officers.

The Board and officers discussed what had worked well during the virtual meeting. The Board wanted it noted further that they were keen to resume face to face meetings as quickly as possible.

Agreed: That the update be noted.

16. Date and time of next meeting

Agreed: That the next meeting of the Local Pensions Board would be held on Wednesday 31 March 2021 at 10.00am