



South Tyneside Council

Local Pensions Board Minutes

20 October 2020

Present: Jim Woodlingfield (*in the Chair*), Tom Hunter, Nicholas Wirz and Phil Smith

Ian Bainbridge (Head of Pensions)
Heather Chambers (Principal Pensions Manager)
Mark Rutter (External Audit, Ernst & Young)
Siân Forster-Purvis (Strategy and Democracy Support Officer)
Jonathan Lunness (Strategy and Democracy Support Officer)

Apologies: Councillor Hay, Mick Brodie, John Pearson and Chris Sharkey

1. Declarations of Interest

J Woodlingfield, N Wirz, P Smith, T Hunter, I Bainbridge 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 7 July 2020

Resolved: That the minutes of the meeting held on 7 July 2020 be confirmed as a true record.

3. Annual report and Accounts 2019/20

Mark Rutter, Ernst & Young presented a report which detailed the external auditors annual report and accounts.

It was noted that the audit had been undertaken remotely and proved easier than planned, thanks was given to the Pensions team for their help in exceptional circumstances. The process had not highlighted any areas of concern and noted that a lot of testing had already been undertaken in February prior to lockdown.

The Northumberland Council merger was discussed, and it was highlighted that from next year the balances coming into the Fund would need to be included however, this was standard and would be picked up with management through the planning process.

The Board raised that they were not included as a body to be consulted on the document. It was reported that this was not an oversight but deliberate as the Board had no formal reporting routes under the Audit and Standards framework. Whilst the Board were unhappy about this they accepted the reasoning.

Agreed: That the report be noted.

4. 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.

5. Local Pension Board – Annual Report

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.

6. Risk Management and Internal Audit

Submitted: Report of the Head of Pensions

The Head of Pensions detailed a report which set out the current position on the Fund level Risk Register. The current version of the risk register was reviewed in August and resulted in five having had their ranking decreased.

A number of comments were received from Board members who were unable to attend and these were discussed and noted.

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

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

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

A comment was received from a Board member who was unable to attend and this was discussed and noted.

Following the outbreak of Covid-19, the Pensions Regulator, produced guidance on the expectations during the crisis. The guidance advised that the following three areas should be prioritised and delivered:

- Processing deaths and dependant benefits
- Payment of pensions
- Processing retirement benefits.

The officer further highlighted that one of the main concerns at the current time was the covenant position of employers and their ability to make contribution payments to the Fund. Additional attention had been focused on contribution payments and it was noted that payments for all employers had been received for all periods to date.

The Head of Pensions stressed that whilst there were new systems of working in place the governance arrangements meant they were in a good position to make decisions virtually or by delegated decisions. Whilst the Board felt the virtual meetings were working well, it was not the same as face to face meetings and noted that they should resume as soon as they were able.

Agreed: That the report be noted.

10. Pensions Processing and Breaches of the Law

Submitted: Report of the Head of Pensions

The Principal Pensions Manager presented a report which updated them on any matters relating to the reporting of breaches of the law around pensions processing and administration, individual employers and electronic systems.

Three breaches had been reported to the Regulator and corrective actions had been put in place and because of this the Regulator took no further action.

It was noted that the website was down for 8 days in October due to the merger with Northumberland County council and subsequent data transfer. Advance warning had been to Members and was unavoidable due to the complex process. The decision had been taken in order to get the data transfer right and no negative feedback had been received from Members.

A comment was received from a Board member who was unable to attend and this was discussed and noted.

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

Agreed: That the report be noted.

11. Data Breaches

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.

12. 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.

A comment was received from a Board member who was unable to attend and this was noted.

Agreed: That the report be noted.

13. Service Planning – Pension Administration

The Principal Pensions Manager presented a report which looked at a range of issues related to the Fund's service delivery and options for future development and planning.

The software contract was discussed in detail and the way forward for the end of contract was outlined.

The Board welcomed the report and felt that there were clear distinctions between what was essential and desirable. It was important that the technology was in place and that this was a focus.

Agreed: That the report be noted.

14. Ethos, Values and Interaction with Members and Employers

The Head of Pensions presented a report which outlined a number of areas in connection with the ethos and values of the Fund and how it interacts with members and employers.

The Pension Fund's vision statement was highlighted and discussed.

The Officer and Board discussed in detail Independent Disputes Resolution Procedures (IDRPs). It was noted that since January 2017 the Fund had had 16 IDPRs started at stage 1 and their outcomes were discussed. Ten of the sixteen had progressed to stage 2 of the process and all of the Fund's decisions were upheld at this stage.

The Board welcome the report and felt that the member experience was an area that could be improved.

Agreed: That the report be noted.

15. Pensions Committee Minutes

The Board had received the full Pensions Committee Agenda for information.

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

16. 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, it was noted that the Board would be trialling Microsoft Teams for the next meeting in December with the hope that the full

Board were able to participate. 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.

17. Date and time of next meeting

Agreed: That the next meeting of the Local Pensions Board would be held on Tuesday 22 December 2020 at 10.00am