



## South Tyneside Council

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### Local Pensions Board Minutes

19 December 2019

Present: Jim Woodlingfield (*in the Chair*), Chris Sharkey, Nicholas Wirz and Mick Brodie

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

Apologies: Tom Hunter, John Pearson, Phil Smith and Councillor Hay

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#### 1. Declarations of Interest

***J Woodlingfield, N Wirz, 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.

C Sharkey also declared an interest as a member of Northumberland County Council Pension Fund.

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

#### 2. Matters arising from the Board's Pre-Meeting

The Board felt that paperwork for this meeting and in previous meetings was not sent out in sufficient time to allow consideration of the agenda and this was a contributory reason for poor attendance at the meeting. A Board Member indicated that they would not attend future meetings unless agendas were received at an appropriate time in advance of the meeting. A specific request was made for this comment to be included in the minutes. Officers noted that the timescales for the issue of reports and agenda's followed the same principles as a Committee meeting which meant that papers were sent out five days before the meeting. The issue of the hard copy reports for the meeting did meet

the deadline for this meeting but the electronic version was sent out late, and some members of the Board only receive electronic versions.

Concerns were also raised that the Board was being treated differently to the Committee. The Head of Pensions gave assurances that this was not the case.

It was noted that a draft copy of the minutes would be made available to the Chair of the Board for comment prior to them being included in the agenda for the following meeting.

### **3. Minutes of 23 October 2019**

Resolved: That the minutes of the meeting held on 23 October 2019 be confirmed as a true record subject to it being noted that the Acting Head of Legal Services only need be available for the pre meeting if required.

### **4. Local Pension Board – Quarterly Report to Pensions Committee**

The Head of Pensions reminded Board members of their invite to the 4<sup>th</sup> February meeting of the Committee. This meeting covers the budget and the service plan.

Agreed: That the report be noted.

### **5. 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.

Changes to three of the risks were highlighted and discussed whilst two risks were highlighted as case studies and discussed in detail for the Board.

Agreed: That the report be noted.

### **6. Data Quality – Annual Report**

The Principal Pensions Manager detailed a report which updated the Board on issues relating to data quality in respect of pension administration and member benefits.

The report set out the data collected and held, the quality of the data held, the data requirements of the Pension Regulator and data improvements.

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It was highlighted that the Fund's actuary undertakes a data validation exercise as part of the valuation process.

Data retention was discussed in respect of what the legal requirements around this were. It was highlighted that the Fund had a data retention schedule, however, the nature of Pensions queries meant that issues could arise decades after a member claimed their pension or ceased to be part of the Fund. There was always going to be an element of risk, however, the Fund was not holding unnecessary information.

Discussions were also held around the potential of a conflict between advice from the Pensions Regulator and from the Information Commissioners Office. The Principal Pensions Manager advised she would raise the matter of possible conflict within peer working groups within the LGPS.

Agreed: That (a) the report is noted and (b) the next report to include comments on data retention. Whilst reports of this meeting are not public it is noted that information in the attached data improvement plan is confidential and exempt from publication

## **7. Transfer Out Procedure**

Submitted: Report of the Head of Pensions

The Head of Pensions detailed a report which provided details on the Fund's approach to member requests to transfer their benefits to another registered pension scheme. In particular the Board was asked to comment on a new draft Transfer Out Procedure.

The Board went through the procedure to gain clarification on it. In general, the Board was supportive of the proposed changes but felt the document could have a better use of language and be more user friendly. Suggested amendments and enhancements to the procedure were proposed by the Board to make it more user friendly and to provide more background information.

The Board was informed that the Fund did not deal with third parties and had to have direct instruction from the member in relation to the transfer out policy. This was to protect members from potential 'scam' or fraudulent transfers.

The Board welcomed the report.

Agreed: That the report be noted and the Board's comments noted, and the draft procedure will be amended accordingly.

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## **8. Items Brought Forward and Future Agenda Items**

Submitted: Report of the Acting Head of Legal Services

The Head of Pensions presented the report which detailed items brought forward from earlier meetings of the Board and listed future agenda items.

Agreed: That the report be noted.

## **9. Performance Assessment**

Submitted: Report of the Head of Pensions

The Head of Pensions detailed a report which detailed the approach to assessing the performance of the Board and highlighted potential areas to be monitored and assessed. It was noted that arising from earlier conversations the timeliness of papers was to be included.

Agreed: That the report be agreed.

## **10. Training for the Local Pensions Board**

Submitted: Report of the Head of Pensions

The Head of Pensions detailed a report which set out a proposed ongoing training programme. The topics for consideration at the February 2020 training was highlighted and discussed.

It was highlighted that the Pensions Committee had requested that ESG, Climate Change and Good Governance were included in the next round of training; officers would look at the timetable to see which items could be slotted in and where items could be moved to alternative dates.

Agreed: That (a) the report be noted and (b) the proposed topics for consideration at the training in February be noted.

## **11. Chairman's Urgent Items**

### Staff Changes

The Head of Pensions advised the Local Pension Board of some forthcoming staffing changes.

It was also noted that the service plan for next year could include a review of the organisational structure of the Fund.

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## **12. 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.

## **13. Reporting Data Breaches**

Submitted: Report of the Head of Pensions

The Principal Pensions Manager detailed a report which updated the Board on matters concerning the reporting of data breaches in respect of the Pensions Service.

Whilst there had not been any reportable breaches, there had been a small number of minor incidents affecting a small number of people. Given the large volumes of data and communications handled by the Fund, it was considered inevitable that some breaches will occur.

The majority of incidents included within the report were the result of human error and whilst this was not an excuse, processes had been reviewed and refined.

Agreed: That (a) the report be noted, and (b) the item become an annual report.

## **14. Breaches, Pension Processing and Management Information**

Submitted: Report of the Head of Pensions

The Principal Pensions Manager detailed a report which set out matters concerning the reporting of breaches of the law in respect of pensions processing, individual employers and electronic systems.

There were no concerns around Breaches and the Board would continue to observe requirements related to reporting and take necessary steps as and when required.

In relation to Pension Processing, it was noted that the outstanding active processes have fallen to the lowest level since 2014. The future improvements were discussed. It was highlighted that there was an aim to increase the take-up of Mypension. The Board felt that this element needed to be better publicized and some offered to promote further through their organisations.

A number of academies appeared on a schedule of employers who were being monitored. It was noted the position on academies would continue to be monitored.

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The Board discussed the Fund's member website and some of the challenges faced with system access and availability. It was noted that the targets for system availability could be reviewed. It was also noted that Fund is moving to an upgraded version in early 2020 and this should enhance the user experience.

The Board welcomed the report and felt on the whole it was a good news story.

Agreed: That the report be noted.

#### **15. Scheme Employer Update**

Submitted: Report of the Head of Pensions

The Head of Pensions updated the Board on matters concerning individual employers within the Fund.

The Board welcomed the update.

Agreed: That the report be noted.

#### **16. 2019 Valuation Update**

Submitted: Report of the Head of Pensions

The Head of Pensions updated the Board with the position on the valuation and summarised the decisions taken at the Pensions Committee.

Agreed: That the report be noted.

#### **17. Pensions Committee Agenda and Minutes of 5 November and 26 November 2019**

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

The Head of Pensions took the Board through the items on the agenda.

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

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## **18. Pooling of Assets - Update**

Submitted: Report of the Head of Pensions

The Head of Pensions presented a report which detailed the Government's proposal to pool the Local Government Pension Scheme's Investments in England and Wales. The report provided an update on the progress.

Changes to the governance structure were highlighted along with how vacancies were to be filled.

The Head of Pensions reported that the Global Equity transition had been undertaken in October.

A discussion was held on investing in property and the Head of Pension explained the Funds approach and strategy

Agreed: That the report be noted.

## **19. Review of Meeting and Report to Pensions Committee**

A discussion took place on the issues raised at the meeting. It was noted that the issues raised earlier in the meeting needed to be raised with the Pensions Committee.

Agreed: That the Head of Pensions would compile the report.

## **20. Date and time of next meeting**

Agreed: That the next meeting of the Local Pensions Board would be held on Thursday 26 March 2020 at 10.30am

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