



South Tyneside Council

Local Pensions Board Minutes

17 October 2018

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

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

Apologies: Mick Brodie

1. Declarations of Interest

J Woodlingfield, N Wirz, P McCann, I Bainbridge, H Chambers and S Forster-Purvis declared non-pecuniary interests in all issues, as contributing members of the Pension Fund.

T Hunter, J Pearson and C Sharkey declared a non-pecuniary interest in all issues, as a recipient of a pension from the Pension Fund.

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

2. Minutes of 5 July 2018

Resolved: That the minutes of the meeting held on 5 July 2018 be confirmed as a true record.

3. Presentation: AVCs

The Board received a presentation from Robert Sormonth, Prudential on Additional Voluntary Contributions (AVCs).

The presentation detailed what AVCs were, a number of case studies and how employees could engage.
The Board thanked the representative for their time and presentation.

Agreed: That the presentation be noted.

At this point the Chairman agreed to change the order of the agenda.

4. Items Brought Forward and Future Agenda Items

Submitted: Report of the 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.

A Board Member raised a query relating to stationery and business cards for the use of Board members. It was noted that business cards had been previously discussed and were not considered to be necessary or cost effective and any letters would be sent out on the Council's letterhead in the Chairman's name. The Board agreed to discuss the issue at their next pre-meeting and would raise with officers should it be necessary.

Agreed: That the report be noted.

5. Training for the Local Pensions Board

Submitted: Report of the Head of Pensions

The Head of Pensions detailed a report which addressed the training requirements of the Local Pensions Board.

The chairman noted that the training even in September was a useful although it was suggested by the Board that the item on Risk Management could have been delivered differently. A question was asked on the monitoring of Custody Arrangements. The Head of Pensions noted that this was an annual exercise which resulted in a report to Committee, which he would email to the Board for information.

Agreed: That the report be noted.

6. Code of Practice 14 – Governance and Administration of the Public Services Pension Scheme

Submitted: Report of the Head of Pensions

The report set out the background to the role of the Pensions Regulator and Code of Practice Number 14 – governance and administration of the public services pensions schemes.

The Board welcomed the report and suggested that the report become an annual item for the Board to consider.

Agreed: That (a) the report be noted and (b) the report be received on an annual cycle.

7. Risk Management

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.

Two risks were highlighted as case studies and discussed in detail for the Board.

Agreed: That the report be noted.

8. Chairman's Urgent Items

There were no Chairman's Urgent Items.

9. 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.

10. 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.

It was noted that the Joint Committee has agreed to have a non-voting scheme member representative. There would be a further report to the Joint Committee on how the representative would be selected. It was likely to involve the respective Local Pension Boards of the BCPP participant funds.. Following a discussion around this the Board felt that any vote the Local Board may have on scheme member representation should come from the scheme member representative themselves.

The Head of Pensions advised that there had been a meeting arranged for Local Pension Board Chairs at the Border to Coast investment conference in November. A discussion took place on who would attend to represent the Fund.

Agreed: That the report be noted.

11. Report and Accounts

Submitted: Report of The Head of Pensions

Stuart Kenny of Ernst and Young detailed for the Board the audited statement of accounts for the Fund.

The Chairman noted that whilst the Fund was declaring costs it may not need to, it was being open and transparent and the Board was fully supportive of this.

Agreed: That the report be noted.

12. Pensions Processing – Employer Monitoring

Submitted: Report of the Head of Pensions

The Principal Pensions Manager detailed a report which updated the Board on pensions processing and the monitoring of individual employers.

There continued to be a risk based approach to processing. The Fund's focus was on development around training, information management and electronic processing and communications as they were deemed to be key to improving processing.

The report set out progress made against timescales and highlighted that in March this year processing backlogs had fallen to their lowest levels in three years. It was noted that backlogs had increased to the end of June but it was expected as the year end contribution posting exercise had commenced.

Agreed: That (a) the report be noted and (b) the report be an earlier agenda item at the next meeting.

13. Scheme Employer Update

Submitted: Report of the Head of Pensions

The Principal Solicitor updated the Board on matters concerning individual employers within the Fund.

The Chairman declared that his employer, Newcastle College Group, has some connection with an exiting employer named in the report. However, as the entities are distinct, there was no formal declaration of interest required.

Agreed: That the report be noted.

14. Breaches and the Role of the Regulator and the Local Pensions Board

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 administration.

The Board would continue to observe requirements related to reporting and take necessary steps as and when required.

Agreed: That the report be noted.

15. Data Quality

Submitted: Report of the Head of Pensions

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

The Board welcomed the report and the Chairman requested that this item be an annual report which included an action plan alongside it for the Board to be able to monitor progress made.

Agreed: That (a) the report be noted and (b) the Annual Data Quality report be submitted to the next meeting of the Board.

16. Pension Regulator – Governance and Administration Survey

Submitted: Report of the Head of Pensions

The Head of Pensions presented a report which detailed a copy of the summary results from the Pensions Regulator Public Service Governance and Administration Survey along with a copy of the Fund's response from 2017.

It was noted that the next survey would be available in the near future and the Head of Pensions would consult with the Chairman and Vice-Chairman on the completion of this survey.

Agreed: That the report be noted.

17. Pensions Committee Agenda and Minutes of 14 September 2018

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

The Head of Pensions highlighted the following areas:

- Funding Strategy Statement
- Budget Outturn 2017/18
- Monitoring of the Funding Level
- Review of the Investment Strategy; and
- Tactical Asset Allocation

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

18. Update from Administering Authority

There were no further updates.

19. Date and time of next meeting

Agreed: That the next meeting of the Local Pensions Board would be held on Wednesday 19 December 2018 at 10.00am.
