



South Tyneside Council

Local Pensions Board Minutes

5 July 2018

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

Mike Harding (Head of Legal Services)
Ian Bainbridge (Head of Pensions)
Paul Cooper (Communications Manager)
Siân Forster-Purvis (Strategy and Democracy Support Officer)

1. Declarations of Interest

J Woodlingfield, N Wirz, M Harding, I Bainbridge, Paul Cooper 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. Local Pensions Board – Appointments for the period 2018/19 to 2020/21

Submitted: Report of the Head of Legal Services

The report set out the appointments made by Council for the Local Pensions Board for the Period 2018/19 to 2020/21.

A discussion took place about the appointment process and a request was made that this be reviewed and in particular the appointment of the Chair.

Resolved: That (a) the appointments made by Council are noted; (b) the automatic appointment of Jim Woodlingfield as an Employer Representative and Chair of the Pension Board; (c) Nicholas Wirz is appointed Vice-Chair for the period 201/19-2020-21 and then take over as Chair of the Board, and (d) a review be undertaken of the appointment process to the Local Pensions Board in advance of the next appointments in three years time..

3. Minutes of 29 March 2018

Resolved: That the minutes of the meeting held on 29 March 2018 be confirmed as a true record.

4. Role of the Local Pension Board

Submitted: Report of the Head of Legal Services

The report detailed information on the Governance Statement and other documents which set out the terms of reference and operating arrangements for the Board.

The report noted that the role of the Board was complimentary to the governance of the Pension Fund provided by the Council's Pension Committee. Pension Boards had been described as acting as a "critical friend" to those charged with administering a pension scheme. However, the Board felt that the role of the Board was more than a complementary role; it was there to assist and advise the Committee.

Discussion ensued on how the Board's performance was assessed and monitored. It was noted that the annual assessment of performance was covered as part of the training in February. It was noted that consideration would be given to the approach used to measure the performance of the Local Pension Board.

Agreed: That (a) the report be noted, and (b) Consideration be given to the approach used to measure the performance of the Local Pension Board.

5. Local Pension Board – Annual Report

Submitted: Report of the Head of Legal Services

Nicholas Wirz detailed a report setting out the work undertaken by the Board during 2017/18.

The report noted that Officers continued to provide the Board with excellent support as well as receiving some external input.

It was requested that apologies for absence be recorded in the minutes going forward.

There was a discussion about the attendance schedule attached to the report and the Head of Pensions agreed to review the information and make amendments where appropriate.

The Board took the opportunity to thank Nicholas for his report and his hard work whilst Chair of the Board.

Agreed: That (a) the report be noted and presented to the Pensions Committee, and (b) apologies for absence be recorded in the minutes for the Board.

6. 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. It also contained a copy of the training policy for review and approval.

Internal Audit had confirmed that the training plans in place for the Board met the requirements for Code of Practice 14.

It was noted that induction training was offered to new members of the Board. The CIPFA training schedule was highlighted and it was agreed that this would be circulated to the Board to review their own knowledge and skills.

Agreed: That (a) the report be noted; (b) the Joint Training Policy for the Pensions Committee and Local Pensions Board be approved; (c) the CIPFA knowledge and skills framework be circulated to the Board to assess their own knowledge and skills (d) the proposed topics for consideration at the training in September be noted and (e) further topics for September or future events be considered.

7. 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.

Agreed: That the report be noted.

8. Meeting dates for 2018/19

Submitted: Report of the Head of Pensions

The report set out the meeting dates for the Pensions Committee, the Investment Panel and the Local Pensions Board for the 2018/19 Municipal Year.

Agreed: That the Board note the dates in their diaries

9. Work Programme 2018/19

Submitted: Report of Legal Services

The Head of Pensions presented a report which detailed a range of items that the Board may want to include on their work programme for the 2018/9 year.

The Board wanted, wherever possible to have a closer collaboration with the other Local Pension Boards within the Border to Coast Pool. The Board suggested hosting an event and inviting the Boards within the Pool.

Agreed: That the suggested issues within the report be included on the work programme for 2018/19.

10. Internal Audit Annual Report 2017/18

Submitted: Report of Corporate Director Business and Resources

The Head of Pensions presented a report which summarised the work completed by Internal Audit throughout 2017/18 and provided an overall assurance on the Pension Fund.

The Plan was set through discussions with Deloitte, the Council's specialist Internal Audit partner, Internal Audit and the Head of Pensions. The plan was set taking into account the key risks facing the pension fund.

Internal Audit were able to provide full assurance on the adequacy and effectiveness of the organisation's control environment. The majority of systems audited showed a sound system of control in place and those controls were consistently applied and fully effective. The conclusion would feed into the Annual Governance Statement to be published with the Council's Statement of Accounts.

One of the audits discussed was the annual governance audit. The Board requested that as part of the scope for this audit that discussions took place with the Chair of the Local Board in the same way they did with the Chair of the Pensions Committee.

The Board thanked the officers for the work undertaken and on achieving a high score over the last three years.

Agreed: That (a) the report be noted, and (b) Deloitte be requested to include a discussion with the Chair of the Local Board in the scope of the Annual Governance Audit .

11. Code of Practice 14 – Governance and Administration of the Public Services Pension Schemes

Submitted: Report of the Head of Pensions

The Head of Pensions presented a report which set out the background to the role of the Pensions Regulator and the Code of Practice Number 14 – Governance and Administration of the Public Services Pensions Schemes.

Whilst the overall assurance level of the Fund was ‘substantial’ there were areas that could still be improved. It was noted that the Board would like to see how the Fund were progressing against the recommendations in the report.

The Board requested that an update report should be provided to the next meeting and thereafter move to annual reports.

Agreed: That the report be noted.

12. 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.

The Chair commended officers as clear progress had been made, however, it was noted that there was still a lot to do. In the section on action required it was suggested that a progress update should be provided.

The risk in relation of Auto Enrolment (S8) was also discussed and it was agreed that this was no longer considered to be an issue of concern and should be removed from the risk register.

Agreed: That (a) the report be noted, and (b) risk S8 be removed from the register.

13. 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.

14. 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.

The Board were advised on the appointments made to the Board of the BCPP Ltd.

The Board had taken an interest in the governance arrangements for the Pool and in particular the issue around scheme member representation on the Joint Committee. The Board was informed that this issue was going to be discussed again at the Joint Committee. The Board reconfirmed its view that a scheme representative should be provided for on the Joint Committee but that there was no real demand for any additional Employer representatives over and above the administering authorities.

It was also noted that should the Joint Committee agree with the proposal to have scheme member representatives then it was likely that they would be sourced from one of the Local Pension Boards and this may provide an impetus for further dialogue between Local Boards.

Agreed: That the report be noted.

15. Shared Services

Submitted: Report of the Head of Pensions

The Head of Pensions presented a report which detailed an update on the Shared Services initiative that the Fund had progressed with Northumberland County Council. The report included a copy of the report presented to the Pensions Committee on 12 June 2018.

It was reported that agenda items on the issue would no longer be presented to the Board. The Board would continue to get updates by the fact that they have access to the Pensions Committee reports.

Agreed: That the report be noted.

16. Pensions Processing – Employer Monitoring

Submitted: Report of the Head of Pensions

The Communications Manager presented a report which updated the Board on pensions processing and the monitoring of individual employers. A request was made to include some details on the position with Northumberland and also on electronic processing within this report.

The Board wanted assurances that there were procedures in place to prevent a pension fraud when accessing the online site. It was noted that there was a number of security checks in place before an individual could register.

The Chair suggested that monthly data collection should be considered for implementation as soon as possible. It was noted that this item was already included in the Service Plan for consideration.

Agreed: That the report be noted.

17. Scheme Employer Update

Submitted: Report of the Head of Pensions

The Communications Manager updated the Board on matters concerning individual employers within the Fund.

The Board welcomed the update.

Agreed: That the report be noted.

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

Submitted: Report of the Head of Pensions

The Head of Pensions 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.

19. Pensions Committee Agenda and Minutes of 12 June 2018

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

A discussion took place as to whether the Committee papers could be sent out electronically rather than in hard copy. This would be investigated along with the option of the Board papers being sent out electronically for those who have requested this.

Agreed: That (a) the agenda, reports and minutes be noted, and (b) a review be undertaken of the feasibility of the Committee and the Local Board papers being sent out electronically

20. Date and time of next meeting

Agreed: That the next meeting of the Local Pensions Board would be held on Wednesday 17 October 2018 at 10.00am
