



South Tyneside Council

Local Pensions Board Minutes

29 March 2018

Present: Nicholas Wirz (*in the Chair*), Jim Woodlingfield, John Pearson, Tom Hunter and Councillor Doreen Purvis

Mike Harding (Head of Legal Services)
Heather Chambers (Principal Pensions Manager)
Tom Morrison (Principal Investments Manager)
Siân Forster-Purvis (Strategy and Democracy Support Officer)

1. Declarations of Interest

N Wirz, J Woodlingfield, M Harding, H Chambers, T Morrison and S Forster-Purvis declared non-pecuniary interests in all issues, as contributing members of the Pension Fund.

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

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

2. Minutes of 21 December 2017

Resolved: That the minutes of the meeting held on 21 December 2017 be confirmed as a true record.

At this point the Chairman asked that Officers leave the meeting to enable the Board to discuss any issues without them present.

Officers re-entered the meeting.

3. Items Brought Forward and Future Agenda Items

Submitted: Report of the Corporate Director Business and Commercial Development

The Principal Investment Manager 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.

4. Meeting dates for 2018/19

The Principal Investment Manager presented the report which detailed proposed meeting dates for the Pensions Committee, the Investment Panel and Local Pension Board.

The meeting dates would not be finalized until May 2018 at the Council's Annual Borough Council Meeting and any changes would be reported at future Board meetings.

Agreed: That the proposed meeting dates are noted.

5. Training Programme for the Local Pensions Board

Submitted: Report of the Head of Pensions

The Principal Investment Manager presented the report which detailed the training requirements of the Board.

Feedback was received regarding recent training held in Edinburgh. The Board felt that the training provided a good overview on the global economic position and the property investments element was welcomed.

The Board felt that the format may need to be tweaked as items on the afternoon often seem rushed, and on this occasion, due to the adverse weather elements were missed.

The next training event for the Local Pension Board and the Committee was scheduled to be held in September and a venue was yet to be agreed, however, it was highlighted that Leeds could be an option with a visit to Borders to Coast office.

Agreed: That (a) the report be noted and (b) the feedback on training in Edinburgh be noted.

6. Local Pensions Board – Appointments for the Period 2018/19 to 2020/21

Submitted: Report of the Head of Legal Services

The Head of Legal Services presented the report which detailed the appointments process for the Local Pensions Board for the period 2018/19 to 2020/21.

Existing Board members had acquired good knowledge of the Tyne and Wear Pension Fund, the Local Government Pension Scheme and the pensions world as a whole. It was hoped that there was continuity from existing Board members so that the knowledge they have acquired can continue to assist the Board and Fund going forward.

Agreed: That (a) the reappointment of any existing Board member(s) who are nominated by their employer or Trader Union be approved, and (b) the process to be followed for the appointment of Board members for the period 2018/19 and 2020/21 be noted.

7. Pension Fund Cash Flow

The Chairman had requested the item in order to seek further assurances around the cash flow position of the Fund.

The Principal Investment Manager presented the report, which detailed the Fund's cash flow position.

Agreed: That the report be noted.

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. Chairman's Urgent Item: Local Pension Board – Report to Pensions Committee

Submitted: Report of the Lead Officer

The Head of Legal Services presented the report, which detailed a report submitted to the Pensions Committee covering issues that the Board asked to be raised.

A number of proposals were set out in the report and it was agreed that in future any Board requests to incur expenditure on instructing external advisers would need to be made to the Council's Section 151

Officer, who now had the delegated authority to approve such requests.

Agreed: That the report be noted.

10. Pooling of Assets - update

Submitted: Report of the Head of Pensions

The Principal Investment Manager presented the report, which updated the Board on the latest position on the Government's proposal to pool the LGPS investments in England and Wales.

The Pensions Committee were asked to consider a proposal from Borders to Coast that membership of the Local Government Pension Scheme would not form part of the standard employment package for new recruits to the company. The Committee debated the point at length and determined that it would not support the proposal.

The Board welcomed the update and wanted it noted that whilst they understood it was not their decision on what pension scheme was to be offered staff within the Pool, it was their preference that lower paid staff were offered entry to the LGPS.

Agreed: That the report be noted.

11. Shared Services

Submitted: Report of the Corporate Director Business and Commercial Development

The Principal Pensions Manager presented the report which detailed an update on the Shared Services/Joint Working initiative that the Fund had progressed with Northumberland County Council.

Northumberland was aware of the ongoing data cleansing and understood decisions on the approach to correction would be needed and they would have to take responsibility for any costs incurred. It was still early stages; however, the shared arrangement was going to plan and the transfer of staff had gone well.

Agreed: That the report be noted.

12. Risk Management

Submitted: Report of the Head of Pensions

The Principal Investments Manager detailed a report which set out the current position on the Fund level Risk Register.

The current version of the Risk Register had been reviewed on 1 November 2017. Two changes to the ranking of the risks had been identified within the review and the details were contained within the report.

The Board were made aware that given the recent cyber security attacks highlighted in the media the Fund worked closely with colleagues within the Council regarding the issue and cyber security was included in business continuity plans.

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

Agreed: That (a) the report and its contents be noted, and (b) a report on disaster recovery and business continuity plans be presented to a future meeting of the Board.

13. Pensions Processing – Employer Monitoring

Submitted: Report of the Head of Pensions

The Principal Pensions Manager updated the Board on matters concerning the administration of pensions.

The Board were happy with the update and that the issues identified were on a positive path to being rectified.

Agreed: That the report be noted.

14. Electronic Processing and Communications Update

Submitted: The Head of Pensions

The Principal Pensions Manager updated the Board on matters concerning electronic pensions processing and communications.

The Board welcomed the update and requested that regular updates remain on their agenda.

Agreed: That the report be noted.

15. Scheme Employer Update

Submitted: Report of the Corporate Director Business and Commercial Development

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

The Board welcomed the update.

Agreed: That the report be noted.

16. 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.

17. Pensions Committee Agenda and Minutes of 2 February 2018 and 6 March 2018

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

The Principal Investments Manager noted the following reports in particular:

- 2.2.18 Markham Rae
- 2.2.18 Service Plan 2018-21
- 6.3.18 Funding Level
- 6.3.18 Review of the Investment Strategy

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

18. Update from the Scheme Administrator

The Board was advised that there were no items for information other than those covered elsewhere on the agenda.

Agreed: That the update be noted.

19. Any Other Business

Given that it was the last meeting of the Municipal Year, the Chairman wished to thank the Board and officers for their support during his time as Chairman. He hoped that he would continue as a Board member and wished Jim Woodlingfield well in his role as Chairman for the forthcoming cycle.

20. Date and time of next meeting

Agreed: That the next meeting of the Local Pensions Board would be held on Thursday 5 July 2018 at 10.00am subject to approval at the Council's Annual meeting.
