



Notes of the Local Pensions Board 18 October 2017

Present: Nicholas Wirz (*in the Chair*), John Pearson, Chris Sharkey and Jim Woodlingfield.

Nicola Wright (Ernst & Young)
Simon Bartram (Ernst & Young)

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

1. Inquorate meeting

The constitution requires two employer representatives and two scheme member representatives to be present for the meeting to be quorate. However, there was only one employer representative at the meeting and therefore the meeting was inquorate. In the absence of a quorum, the meeting proceeded on an informal basis.

On that basis these are not formal minutes.

2. Chairman's welcome

The Chairman welcomed everyone to the meeting.

3. Declarations of Interest

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

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

C Sharkey also declared a non-pecuniary interest in all issues, as a deferred member of the Northumberland County Council Fund.

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

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

4. Annual Report and Accounts

The Pensions Committee approved the report and accounts at its meeting on 14 September, the Board had received an advanced copy as part of the Committee's distribution list.

Colleagues from the external auditors Ernst and Young attended to present the annual report and accounts for the Board and summarised their findings.

No issues of concern were raised by Ernst and Young. Two generic risks were however, noted in the audit report

- Cyber Security; and
- GDPR

It was noted that the Fund was ahead of others in terms of cost transparency; however, the Board wanted some further information on whether the Fund was as transparent as it could be.

Agreed: (a) That the report be noted and (b) that the Board receive further information relating to the cost transparency.

5. Minutes of 6 July 2017

As the meeting was not quorate it was not possible to formally agree the minutes. They will need to be presented at the next meeting of the Local Board for approval. Those present at the meeting did however confirm that they believed that they were 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.

6. Board Member updates

The Chairman informed Officers upon their return that a need had occurred for the Board to seek independent legal advice. Whilst the services of another authority had been offered, and advice provided, it was felt that counsel's advice should also be sought.

This need had arisen following a meeting involving the Chair and Vice Chair of the Board, the Chair and Vice Chair of the Committee, the Head of Legal and the Head of Pensions.

At this meeting the content of the Chair of the Board's Annual Report was discussed, which included whether correspondence involving the Chair of the Tyne and Wear Board, the Chairs of the other Boards within the Border to Coast Pensions Partnership and the Chair of Pensions Committee should be disclosed in this report without the approval of those individuals. If they were disclosed this information would appear in the public domain.

The Board advised the officers that legal advice had been obtained and agreed to share this advice. The Board also requested that the administering authority take note of the advice.

7. Training for the Local Pensions Board

Submitted: Report of the Corporate Director Business and Commercial Services

The report detailed the training requirements of the Board.

The Board noted that the recent training held in York had been extremely useful.

The recent induction training for the BCPP did not provide a lot of new information. It was suggested that a delegate list be supplied in future sessions to understand who individuals were and their role within the Pool. The officers agreed that it would be useful for the information to be provided and would take it back to colleagues.

The Chairman took the opportunity to inform the Board that he had tried to establish a Local Pensions Board Chairman's Group within the Pool, however, there was not sufficient uptake for it and it was accepted that this would be something that would not now take place.

It was requested that officers look into the possibility of someone from Prudential attend a future Board meeting to talk about AVCs. Officers would look in to the viability of this and report back to the Board.

Agreed: That the report be noted.

An additional item was tabled at the meeting and the Chairman agreed to take the item as the next item of business.

8. Items Brought Forward and Future Agenda Items

Submitted: Report of the Corporate Director Business and Commercial Services

The Head of Pensions apologised for the omission of the report.

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

Agreed: That the report be noted.

9. Local Pensions Board – Governance

Submitted: Report of the Lead Officer

It was suggested that legal advice to the board needed to be looked into as highlighted in discussions earlier in the agenda.

Agreed: That the report be noted.

10. Chairman's urgent items

There were no Chairman's urgent items.

11. Pooling of Assets

Submitted: Report of the Corporate Director Business and Commercial Services

The Head of Pensions updated the Board on the BCPP progression. Formal positions had been reached by all 12 Funds in relation to scheme member representation. The balance of opinion was evenly split. It was noted that it would be difficult to take this back to the Joint Committee until a clearer positive position could be established. The Board asked that the Committee Chair continued to raise this issue.

Agreed: That the report be noted.

12. Shared Services

Submitted: Report of the Corporate Director Business and Commercial Services

The report provided the Board with an update on the Shared Services/Joint Working Initiative.

The Board welcomed the report.

Agreed: That the report be noted.

11. Risk Management

Submitted: Report of the Corporate Director Business and Commercial Services

The report detailed the current Fund Risk Register. The Risk Register contained a number of 'risks' together with the action being undertaken to address the concerns identified.

The Board considered the specifics of the 'risks' and noted that an Action Plan had been developed to address each identified risk.

Agreed: That the report be noted.

12. Pensions Processing – Employer Monitoring

Submitted: Report of the Corporate Director Business and Commercial Services

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

The Board were happy with the update and that things were on a positive path.

Agreed: That the report be noted.

13. Electronic Processing and Communications Update

Submitted: Report of the Corporate Director Business and Commercial Services

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.

14. Scheme Employer Update

Agreed: That the report be deferred.

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

Submitted: Report of the Director of Business and Commercial Services

The report updated the Board on matters concerning the reporting of breaches of the law in respect to pensions administration.

The Fund were one of the few that had self-referred to the Regulator. It was requested that the report be presented to the next meeting of the Board.

Agreed: That the report be noted.

16. Pensions Committee Agenda and Minutes of 14 September 2017

The Board had received the agenda and the minutes of the September meeting.

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

17. Update the Administering Authority

Agreed: That the item be deferred.

18. Working Groups Feedback

Agreed: That the item be deferred.

19. Any Other Business

There were no items of any other business.

20. Date and time of next meeting

Agreed: That the next meeting of the Local Pensions Board
would be held on 20 December 2017 at 10.00am.
