



# South Tyneside Council

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## Local Pensions Board Minutes

30 March 2017

Present: Nicholas Wirz, John Pearson, Tom Hunter, Councillor Doreen Purvis, Martin Rooney, Chris Sharkey and Jim Woodlingfield.

Mike Harding (Head of Legal Services)  
Ian Bainbridge (Head of Pensions)  
Heather Chambers (Pension Communications Team Manager)  
Tom Morrison (Principal Investment Manager)  
Siân Forster-Purvis (Strategy and Democracy Support Officer)

Stuart Kenny (Ernst & Young)  
Nicola Wright (Ernst & Young)

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### 1. Declarations of Interest

***N Wirz, J Woodlingfield, M Rooney, I Bainbridge, M Harding, T Morrison, 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 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. Chairman's welcome

The Chairman welcomed all to the meeting and introduced Tom Hunter the Board's new GMB representative. It was noted that the Board now held no vacancies.

The Board were updated that following Dave Smith's retirement, Heather Chambers had recently been appointed into the vacant post and would be taking up her new role from 3 April 2017. The Board congratulated Heather and asked for their thanks be forwarded to Dave Smith.

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

### **3. External Audit Plan for 2016/17 Accounts**

Stuart Kenny and Nicola Wright from Ernst and Young briefed the Board on the 2016/17 Audit Plan that had been prepared by Ernst and Young.

Agreed: That (a) the presentation and audit plan be noted and (b) approach taken to the 2016/17 external audit be noted.

### **4. Minutes of 21 December 2016**

item 9 – Member Representation at Pool Level - Members of the Board agreed that the minute was accurate but felt that the minute would not allow those reading it to understand the discussions and did not fully reflect the strength of feeling.

The Board agreed that the following wording should be added to the minute for this item:

*“Specifically the Board wished to draw the attention of members of the Pensions Committee that it was the unanimous view of the Board that representation of a Scheme Member Representative on the BCPP ‘pool’ in an observer capacity is integral to the effective role of the Local Pensions Board.*

*In addition, the view was expressed that failure to appoint such a representative could potentially jeopardise successful co-operation between UNISON and the Tyne and Wear Pension Fund.*

Resolved: That the minutes of the meeting held on 21 December 2016 be confirmed as a true record subject to the amendment detailed above.

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

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*Officers re-entered the meeting.*

## **5. Meeting Dates for 2017/18**

The Board received proposed dates for the Pensions Committee, the Investment Panel and the Local Pension Board for the next Municipal Year. This also included two training events.

The Chairman asked for clarification as to whether Board Members were permitted to attend Pension Committee meetings in an observer capacity.

Agreed: That the report be noted.

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

The Head of Pensions advised that training for the Pensions Committee and Local Pensions Board continued.

An offer was made for Tom Hunter to contact the Head of Pensions and/or the Head of Legal for some induction training.

The Board were asked to consider additional topics to be covered at the September training event and forward on their views to the Head of Pensions.

Agreed: That the report be noted.

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

There were no Chairman's urgent items.

## **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.

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## 9. Pooling of Assets - update

Submitted: Report of the Corporate Director Business and Resources

The Board was presented with a report updating the position of a scheme member representation on the Border to Coast Joint Committee. Since the last Local Pension Board meeting in December, there had been two reports to Pensions Committee.

- The first was on 3rd February 2017 which considered the potential remuneration packages for the senior executives and non-executives on BCPP and contained a recommendation to Full Council for a report to proceed with the formal approval to sign up to the Border to Coast Pension Partnership Ltd (BCPP).
- The second at the meeting was on 7th March 2017. The Committee were updated on the latest position. The report covered updates across the three main workstreams.

South Tyneside Council agreed to join BCPP on 9th March. All twelve authorities within the pool had approved joining BCPP. Formal legal documentation was to be finalized and it was anticipated that this would be completed by the end of April 2017.

The Chairman and Vice Chairman of the Joint Committee had been appointed for the first year and they were John Weighell (North Yorkshire) and Sue Ellis (South Yorkshire) respectively.

The advert for the Chief Executive Office and Chair of BCPP Ltd was to be published in the Financial Times on 30 March 2017.

The Board reiterated its view that there should be scheme member representation on the Pool Joint Committee and expressed concern that this had not been agreed. The Chairman had been in correspondence with other local pension boards on this matter and had received responses from most of them. It was noted that the majority of Local Pensions Boards appeared to be in favour of scheme member representation at Pool level. The Board queried why, if this was the case, the issue was not raised at the relevant Pensions Committee's for the other funds..

Discussions ensued around Scheme Member representation at Pool level and the Chair of Pensions Committee's role on the Joint Committee.

It was noted that BCPP was planning to hold a stakeholder engagement meeting to explain progress to date and governance

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arrangements. Scheme member and employer representatives would be invited to this meeting.

The Local Pension Board were provided with a hand out covering guidance recently released by the Scheme Advisory Board on this issue. The guidance did not provide for a requirement that scheme members should be represented at pool level but it did provide for this to be considered.

The Chairman informed the Board that he was looking at setting up a steering group with the other Local Pensions Boards within the BCP Pool, he would update the Board as soon as he had received responses.

Agreed: That (a) the report be noted and (b) the Chairman look into setting up a Pool Local Pensions Board Steering Group.

## **10. Working with Other Funds**

Submitted: Report of the Corporate Director Business and Resources

The Head of Pensions summarised a report detailing proposals for an initiative with another Pension Fund.

The Board were updated that the Pensions Committee had agreed to progress to the next level of talks and they would receive further information as soon as it was available.

The Board welcomed further information as soon as it was available and noted the contents of the report.

Agreed: That the report be noted.

## **11. Pensions Processing – Employer Monitoring**

Submitted: Report of the Corporate Director Business and Resources

The Head of Pensions updated the Board on matters relating to the administration of pensions.

The Board welcomed the report and found it to be a helpful summary, the officers were thanked for the detail.

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Agreed: That the report be noted.

## **12. Electronic Processing and Communications Update**

Submitted: Report of the Corporate Director Business and Resources

The Board received a live demonstration of the Member Webpage services.

The Fund had a strategy to develop electronic communications and processing for employers and members. The report detailed an update on the position in relation to Data Security, proposals for the development of Members' Web Services and bulk data import.

It was planned to move to online member benefits statements in 2017. Further development work was needed to achieve this. Scheme members would need to be contacted in writing prior to this change being implemented.

The Board welcomed the report and requested a further update at the next meeting of the Board.

Agreed: That the report be noted.

## **13. Scheme Employer Update**

Submitted: Report of the Corporate Director Business and Resources

The Board requested a report on employer issues and in particular any issues relating to Academies.

The report set out what had been presented to the Pensions Committee which summarised the issues currently being faced in relation to specific employers, including academies.

The Board welcomed the report.

Agreed: That the report be noted.

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#### **14. Pensions Committee Agenda and Minutes of 3 February 2017**

This meeting was held primarily to agree the budget and service plan. Representatives from the Local Pension Board attended as observers.

The Board were asked if there were any specific areas or reports they would like covered. The report on pooling had been discussed on an earlier agenda item.

Agreed: That the agenda and minutes of the Pensions Committee 3<sup>rd</sup> February be noted.

#### **15. Pensions Committee Agenda and Minutes of 7 March 2017**

The Board were asked if there were any specific areas or reports they would like covered. The following reports were discussed:

##### Item 7 – Pensions Administration

The Board welcomed the update and requested an update be presented to the next meeting of the Board.

##### Item 10 – MiFID II

The Board would be updated as and when the process moved forward.

Agreed: That the report be noted.

#### **16. Risk Management**

Submitted: Report of the Corporate Director Business and Resources

The Board received a report which detailed the current Fund Risk Register.

Agreed: That the report be noted.

#### **17. Local Pensions Board Priority Issues**

The Chairman informed the Board that he thought it would be useful to get some feedback from the Actuary on the data quality in the valuation.

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The Local Pension Board is required to produce an Annual Report. It was suggested that the Chair would produce a draft report for the next meeting of the Board. This would be based around these priority issues.

Agreed: That the report 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. Working Groups Feedback**

The Board were advised that the priorities remained the same and updates would be provided regularly.

### **20. Any Other Business**

There were no items of additional business.

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

Agreed: That the next meeting of the Local Pensions Board would be held on 6 July 2017 at 10.00am subject to confirmation by Annual Council.

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