



South Tyneside Council

Local Pensions Board Minutes 20 December 2016

Present: Nicholas Wirz, Mick Brodie, John Pearson, 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)

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.

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.

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.

2. Minutes of 19 October 2016

Resolved: That the minutes of the meeting held on 19 October 2016 be confirmed as a true record.

3. Local Pension Board Vacancy

The Board were updated that the current vacancy had been filled. Tom Hunter was to be appointed and would be accepted by the next meeting of the Board.

4. Indemnity/Insurance arrangements for the Local Pensions Board

The Board received an update in relation to indemnity/insurance arrangements for Board Members.

Agreed: That the update be noted.

5. Training Programme Update

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

The Board were to look at the programme of training and contact the Head of Pensions if there were items to be added.

It was noted that the next training event was due to take place 1-3 March 2017. The event would be centered around property and topics covered usually include an overview of the property market, the investment process, the investment and asset management plan for each property and an update on the commitment to residential property.

Whilst the March training usually has a bias towards property other issues are covered. Topics which should be considered at this training include:

- Committee and Local Board Self-Assessment. If this is not done at the training it will need to be covered at another meeting
 - An update on pooling. The training event gives an opportunity to cover issues in greater detail. Updates will continue to be presented to the Committee and Board
 - New Investment Regulations and the Investment Strategy Statement
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Other areas that could be included were infrastructure, benchmarking of investment and administration cost, de-risking of the investment strategy and employer related issues.

It was noted that at the training event in March 2016 the subject of Scheme Advisory Board (SAB) KPIs was covered, but there had been no further feedback on this. The Board was advised that the SAB had not issued any further KPIs. It was agreed that this would be followed up and an update provided to the next meeting.

Agreed: That (a) the report be noted, and (b) an update be presented to the next meeting in relation to the Scheme Advisory Board key performance indicators.

6. Service Planning 2017-20

Submitted: Report of the Corporate Director Business and Resources

This report is intended to facilitate discussions with Local Pension Board on the content of the Service Plan 2017 – 20. A special meeting of the Pensions Committee was to be held on 3rd February 2017 to consider and approve a Service Plan and Budget for the Pensions Service for 2017 – 20 the Board members would be invited to the meeting.

The Board was asked for their views on the content of the Plan.

Agreed: That the report be noted.

7. Chairman's Urgent Items

The Chair noted that he had been approach by Alan McDougal from PIRC (Pensions, Investments Research Consultants) to present to the Local Pensions Board. PIRC acted as an advisor to the LAPFF. The Chair agreed to contact Alan and arrange for him to present to a future meeting of the Local Pension Board.

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. Member Representation at Pool Level

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. This confirmed that the Border to Coast Member Steering Group had considered the issue and decided that at this stage they would not be offering a place on the Joint Committee to a scheme member representative. It was agreed that this position would be revisited if/when the Scheme Advisory Board issued guidance.

The Board still believed that there should be member representation on the Pool Joint Committee and expressed concern at this decision. The Head of Pensions assured the Board that their role should be unchanged as a result of pooling.

The Chairman informed the Board that he was going to write to the Scheme Advisory Board again and to the Chairmen of the Local Pension Boards within the Pool to gain their views on the issue. It was felt the Board was asking for a small amount of representation that appeared to be sensible and reasonable and it was felt that the decision from the Pool Joint Committee was unreasonable.

Agreed: That (a) the report be noted and (b) that a letter from the Chair of the Local Board be sent to the Scheme Advisory Board and chairmen of the Local Pension Boards of the Pool to seek their views on the issue.

10. Investment Strategy Statement - Consultation

Submitted: Report of the Corporate Director Business and Resources

The Head of Pensions summarised a report detailing the requirements to formulate, consult and publish an Investment Strategy Statement.

The Board welcomed the report and noted its contents.

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.

Agreed: That the report be noted.

12. Electronic Processing

Submitted: Report of the Corporate Director Business and Resources

The Pensions Communications Team Manager detailed a report on electronic processing.

Due to delays from the IT system and software provider the service was not yet online. The issue continued to be one raised and had been escalated to a senior management level.

If possible it was requested that some of the online functionality could be presented at the next meeting.

Agreed: That the report be noted.

13. Pensions Committee Agenda and Minutes of 15 September 2016

Submitted: Report of the Corporate Director Business and Resources

The Head of Pensions highlighted a number of areas for information. These updates included progress reports on each section of the Pensions Committee agenda. Particular attention was drawn to:

- The Pooling of Assets
 - Fund Valuation 2016
 - Pensions Processing
 - Review of the Investment Strategy; and
 - Risk Management
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Agreed: That the minutes of the Pensions Committee 25 November 2016 be noted.

14. 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.

15. 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.

16. Working Groups Feedback

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

17. Any Other Business

It was requested that a demonstration of the online system be given at the next meeting of the Board.

18. Date and time of next meeting

Agreed: That the next meeting of the Local Pensions Board would be held on 30 March 2017 at 10.00am.
