



Local Pensions Board Minutes

19 October 2016

Present: Nicholas Wirz, Mick Brodie, John Pearson, Councillor Doreen Purvis, Chris Sharkey and Jim Woodlingfield.

David Hayward (Principal Solicitor)
Ian Bainbridge (Head of Pensions)
Heather Chambers (Pension Communications Team Manager)
Staurt Kenny (Audit Manager, Ernst and Young)
Paul Charnock (Ernst and Young)
Siân Forster-Purvis (Strategy and Democracy Support Officer)

1. Chairman's welcome

The Chairman welcomed everyone to the meeting.

2. Declarations of Interest

N Wirz, J Woodlingfield, I Bainbridge, D Hayward 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.

3. Minutes of 6 July 2016

Resolved: That the minutes of the meeting held on 6 July 2016 be confirmed as a true record.

4. Local Pension Board Vacancy

The Board were informed that the GMB were in process of filling to the vacant post on the Board. It was anticipated that by the next meeting the position should be filled.

5. Annual Report and Accounts 2015/16

Representatives from Ernst and Young presented the annual report and accounts 2015/16 to the Board. A summary of their findings from the Fund audit was detailed and discussed.

It was highlighted that the Tyne and Wear Pension Fund was fully compliant with its disclosure of investment costs and as this was an early implementation of new guidance was not comparable to other authorities and pension funds.

Representatives thanked the staff within the Pensions Team for their high standards of account reporting.

Agreed: That the report be noted.

6. Chair of Local Pension Board – Annual Report

The Chairman detailed his annual report and set out the following as the Board's priorities for the year:

- Issues of non-compliance with scheme employers
- Establishing a Pool structure
- Continuing scrutiny and transparency of the accounts
- Review of risks
- Moving Pensions towards an e-system.

Agreed: That the report be noted.

7. 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

Agreed: That the report be noted.

8. Public Sector Exit Payments

Submitted: Report of the Corporate Director Business and Resources

The Head of Pensions detailed a report updating the Board on the current position of the Government's proposed changes to public sector exit payments. The changes proposed were:

- The introduction of a requirement that some or all of the exit payments made to staff earning £80,000 or more at the point of leaving and who return to public sector employment within twelve months be clawed back.
- The introduction of a cap of £95,000 on the total value of exit payments made to an individual.
- Reforms to the circumstances when exit payments can be made and to how they are calculated.

The Government had decided not to introduce a single exit payment regime across all the public services, instead it had chosen to allow a flexible approach reflecting the needs of different public sector workforces.

The Board were made aware that Government departments had to have plans in place by 26 December 2016 and regulations had to be introduced by June 2017.

Issues relating to self-employed people and consultants tax arrangements were highlighted and discussed. It was acknowledged that this was an employer issue, rather than a Fund issue.

Agreed: That the report be noted.

9. Membership of the Fund

Submitted: Report of the Corporate Director Business and Resources

The report detailed information relating to the membership of the Fund. To comply with statutory requirements and CIPFA guidance, the Fund provides details of the membership of the Fund as at 31 March each year and details on changes.

Membership changes within the previous ten years were detailed and discussed.

Agreed: That the report be noted.

10. Chairman's Urgent Items

There were no urgent items to discuss.

11. 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.

12. Local Pensions Boards Influence/Representation at Pool Level

Submitted: Report of the Corporate Director Business and Resources

The Board was presented with a report summarising the position in relation to the role of the Local Pension Board in the governance of Investment Pools.

The Board believed that there should be member representation on the Pool Joint Committee. The issue of an employer representative was also discussed but it was concluded that the Administering Authority as an employer already on the Joint Committee was sufficient to ensure that employer issues were already represented. It was agreed that the Chair would write to the Scheme Advisory Board to make this point. It was also agreed that the Chair would provide a form of words for the Head of Pensions to use in a report to the next meeting of Pensions Committee to set out the Boards views on this issue to the Committee.

Agreed: (a) That the report be noted (b) that a letter from the Chair of the Local Board be sent to the Scheme Advisory Board to ask for member representation on pools Joint Committees, and c) the Chair provide a form of wording to the Head of Pensions to include in the next report to Pensions Committee.

13. Funding Strategy Statement and 2016 Valuation

Submitted: Report of the Corporate Director Business and Resources

The Head of Pensions detailed a report setting out the latest position on the 2016 Fund valuation.

The report was an update for the board following on from training received in Edinburgh in September.

The Board welcomed the report and were happy with the issues around reducing the probability of funding success. The Board requested that prudence be built in moving forward. The Board also noted that they were comfortable with the Funding Strategy Statement.

Agreed: (a) That the report be noted, (b) that the benchmark position for costs data submitted to the Pool be forwarded to the Board for information and (c) the Board was comfortable with the content of the Funding Strategy Statement.

14. Pensions Processing – Employer Monitoring

Submitted: Report of the Corporate Director Business and Resources

The Head of Pensions detailed a report on matters relating to pensions administration.

Agreed: That the report be noted.

15. Electronic Processing

Submitted: Report of the Corporate Director Business and Resources

The Head of Pensions detailed a report on electronic processing. The Board was informed that a meeting with Civica had been arranged to discuss the progress of e-processing.

With regard to online benefits statements the Board raised concerns regarding individuals that may not have the facilities or skills to access pension documents online. Officers assured the Board that they would be inclusive and Fund members would have access to their statements in hard copy if requested. It was noted that when considering communications on this it may be appropriate to liaise with the unions.

Agreed: (a) That the report be noted; and (b) that an update be brought to the next meeting of the Board.

16. 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 report on the budget outturn as this included details on investment management fees and cost transparency as this is one of the priority areas for the Local Board.

Agreed: That the update be noted.

17. 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.

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

A verbal update was provided.

Agreed: That the update be noted.

20. Any Other Business

There were no items of any other business.

21. Date and time of next meeting

Agreed: That the next meeting of the Local Pensions Board would be held on 21 December at 10.00am.
