



South Tyneside Council

Local Pensions Board Minutes

26 June 2015

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

Nicola Robason (Principal Solicitor), Ben Broome (Principal Solicitor)

Stephen Moore (Head of Pensions)
Karen Connolly (Strategy and Democracy Officer)

Apologies: Mick Brodie.

1. Introductions

The Panel and Officers introduced themselves.

2. Explanation of Statutory requirement on conflicts of interest

The Principal Solicitor outlined the procedure for managing conflicts of interest which may arise during the appointment to the Board. Members were reminded of their responsibility to register any interests with the Head of Legal Services.

Agreed: That the Principal Solicitor circulate to members of the Board a further copy of the Policy for Managing Conflicts of Interest.

3. Declarations of Interest

Mr J Pearson, Mr A McIntosh, Mr N Wirz, Mr C Sharkey, Mr J Woodlingfield, Mrs N Robason, Mr B Broome, Mr S Moore and Mrs K Connolly declared non pecuniary interests in all issues, as

contributing members of the Pension Fund. They remained in the meeting for the discussion and determination of all matters.

4. Local Pension Board – Report to Pensions Committee on 5 June 2015

The Public Service pensions Act 2013 and Schemes Regulations require each Local Government Pension Scheme administering authority to establish a local pension board ('Board').

The role of the Board is to:

- Assist the Pensions Committee
 - To secure compliance with the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 and the Local Government Pension Scheme Regulations 2013 and any other legislation relating to the governance and administration of the Fund;
 - To secure compliance with any requirement imposed by The Pensions Regulator in relation to the Fund;
 - To ensure the effective and efficient governance and administration of the Fund;

- To provide the Pensions Committee with such information as it requires to be satisfied from time to time that none of the members of the Board or person to be appointed as a member of the Board has a conflict of interest.

The Council has delegated its Pensions functions to the Pensions Committee. Therefore, the Board will report to and be accountable to the Committee.

The Governance Statement and a set of core functions were attached for the Board members information.

The Board is comprised of:

- Four employer representatives, three to be nominated by all the employers that participate in the Fund with the exception of the Council and the fourth to be an elected member of the Council.
- Four member representatives, to be nominated by the trade unions whose members participate in the Fund, subject to trade unions confirming that they will represent the interests of all categories of the Fund's membership.

Nominations to the Board have been sought for three years to allow for experience, knowledge and an understanding to be gained.

The Chair and Vice Chair will be appointed by the employer and member representatives of the Board on a rotating basis, with the term of office being shared between an employer and member representative on an equal and opposite basis. The term of office will be three years. The Vice Chair will become the next Chair.

Any person appointed to the Board must not have a conflict of interest, which is defined as “a financial or other interest that is likely to prejudice that person’s exercise of functions as a member of the Board, but this does not include a financial or other interest arising merely by virtue of membership of the scheme”. A specific Policy on Managing conflicts of interest has been produced.

The Council’s Head of Legal Services will act as Lead Officer to the Board.

The Members of the Board and the Lead officer will have full access to the Pensions Committee’s training programme.

The Board will meet quarterly and establish its own work programme which will enable it to achieve its role.

Those appointed to the Board are:

Member Representatives

- Chris Sharkey (UNISON)
- Nicholas Wirz (UNISON)
- Andrew McIntosh (GMB)
- John Pearson (GMB)

Employer Representatives

- Councillor Doreen Purvis (South Tyneside Council)
- Jim Woodlingfield (Newcastle College Group)
- Mick Brodie (North East Regional Employers Organisation)
- Martin Rooney (Lovell Partnership)

Agreed: That the report be noted.

5. Appointment of Chairman and Vice-Chairman

Submitted: Report of the Corporate Director Business and Resources

Agreed: That Nicholas Wirz be appointed as Chairman, and Jim Woodlingfield be appointed as Vice Chairman.

Nicholas Wirz took the Chair

6. Discussion on the role of the Local Pension Board

Submitted: Report of the Corporate Director Business and Resources

The Board discussed what they wanted to focus on and what if any the issues were.

The members felt that it would become more clear what the focus would be once they had undertaken training and gained a better understanding of the Scheme.

They suggested that they look at:

- Investments – Is the Fund getting value for money for its members as the amount spent on managing the Fund is vast
- Communications strategy - when members need to interact with the scheme is it smooth and pain free, does the scheme work for them?
- Ethical investments
- Is the Fund efficient and effective?
- Deficits of the Fund – look at how they are being managed
- How to encourage membership in the Scheme/50:50 option
- Investment Strategy – relative weighting between passive and active investments

It was suggested that it might be useful to establish smaller working parties between the quarterly meetings to investigate certain areas and they would report back to the full Board with the findings. If this was to be done then it was agreed that it would have to be balanced between Employer and Member representatives.

It was suggested that longer Board meetings may be required, or more frequent meetings may be required, from time to time.

Agreed: (a) That the areas highlighted be a starting point in particular the cost of managing the Investments and communicating with the Pensions Fund office; (b) that the Committee receive a summary of the key issues of the Pensions Committee and Investment panel and (c) that the use of smaller working parties concentrating on certain areas of work be considered, ensuring the balance of Employer/Member representative is kept and, (d) officers support the Board with their meeting requirements.

7. Review of Governance Statement

Submitted: Report of the Corporate Director Business and Resources

The Pensions Committee is responsible for the management, administration and investment of the Fund. They decide on the operation of the Fund. The Committee complies with the schemes regulations.

Members are expected to have a working knowledge of the Pensions Scheme which will be gained through the training programme being offered to members.

The Quorum of the Board will be two Member representatives and two Employer representatives. Every member of the Board will have a voting right, with the Chairman having the casting vote.

The Board can make recommendations to the Pensions Committee.

Agreed: That the update be noted.

8. Summary of the Fund's position

Submitted: Report of the Corporate Director Business and Resources

Stephen Moore, Head of Pensions joined the Board at this point of the meeting. He gave an overview of the Fund's position in relation to its Governance, the Funding and Investment Strategy, Pensions Administration and Financial Control.

Agreed: That the update be noted

9. Other Major Issues

Submitted: Report of the Corporate Director Business and Resources

Stephen Moore, Head of Pensions outlined provided details on the Scheme Advisory Board and the Government Efficiency review.

The Public Service Pensions Act 2013 requires the Department for Communities and Local Government (DCLG) to make regulations establishing a national scheme advisory board for the LGPS and enabling each LGPS administering authority to establish local pension boards.

The Scheme Advisory Board has been established to encourage best practice and seek transparency. It operates on a shadow basis, the Chair is Joanne Segars.

In May 2013, the CLG issued a 'call for evidence' on the future structure of the Local Government Pension Scheme. A further consultation entitled 'Local Government Pension Scheme: Opportunities for collaboration, cost savings and efficiencies' was

issued in May 2014. They looked at the structure of the Local Government Pension Scheme and opportunities to reduce administration and investment management costs. They considered amalgamating Pension Funds.

The Fund responded to the CLG consultation, the full responses were currently available on the CLG website.

Agreed: (a) That the update be noted and (b) that the Head of Pensions circulate the Pension Fund's response previously sent to CLG.

10. Service Plan for 2015-18

Submitted: Report of the Corporate Director Business and Resources

The vision and aims of the Pensions Service are set out in its Service Plan. This is a three year rolling plan that is updated annually.

Agreed: That the report be noted.

11. Committee Agenda from 5 June 2015

Submitted: Report of the Corporate Director Business and Resources

The Board received the full Pensions Committee Agenda for information. It was explained that the white reports are in the public domain but that the green reports were commercially sensitive therefore exempt from being published.

Agreed: That the update be noted.

12. Committee Minutes from 5 June 2015

The minutes of the Pensions Committee held on 5 June were presented to the Board for information.

Agreed: That the minutes be noted.

13. Training requirement and timetabling

Submitted: Report of the Corporate Director Business and Resources

The report detailed the proposed training programme for 2015/16.

Details of the training dates were provided, the Board members were urged to attend.

There is a members' toolkit available on the Pensions Committee website and again members were urged to take a look at this and work through it as part of their training.

Agreed: (a) That the training programme as outlined be noted and (b) that members of the Board inform the Head of Pensions of any training which they are unable to attend and he would look for the Pensions Service to deliver this.

14. Future meeting dates

Submitted: Report of the Corporate Director Business and Resources

The report set out the proposed meeting dates for the Pensions Committee, the Investment Panel and the Local Pensions Board for the 2015/16 year.

Agreed: That the dates be noted

15. Future Agenda and work programme

Agreed: (a) That the next meeting of the Board be timetabled for a longer period to allow for in depth discussions on areas where detailed clarification is sought and (b) that members of the Board contact each other in the meantime via email to establish a clear idea on areas where they wish to initially seek assistance on.
