



South Tyneside Council

Local Pensions Board Minutes

30 March 2022

Present: Nicholas Wirz (*in the Chair*), John Pearson, Tony Carr, Rachel Dunn, David Keetley (dialled in) and Michael Brodie.

Paul McCann (Principal Governance and Funding Manager)
Heather Chambers (Principal Pensions Manager)
Neil Sellstrom (Principal Investment Manager)
Lindsey Davison (Acting Communications Manager)
Joseph Catchpole (Strategy and Democracy Support Officer)
Paul Baldasera (Strategy and Democracy Officer)

Apologies: Councillor Purvis, Ian Bainbridge and Tom Hunter

1. Declarations of Interest

N Wirz, J Pearson, T Carr, R Dunn, P McCann, H Chambers, N Sellstrom, L Davison, P Baldasera and J Catchpole declared non-pecuniary interests in all issues, as members of the Pension Fund.

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

2. Minutes of 21 December 2021

Resolved: That the minutes of the meeting held on 20 October 2021 be confirmed as a true record.

3. Items Brought forward (for information and read only)

Submitted: Report of the Head of Pensions.

The Chair took that the report was for information and read only and no discussion took place on the item.

Agreed: That the report be noted.

4. Meeting Dates for 2022/2023 (for information and read only)

The Chair took that the report was for information and read only and no discussion took place on the item.

Agreed: That the report be noted.

5. Training for Local Pension Board (for information and discussion)

Submitted: Report of the Head of Pensions.

The Principal Governance and Funding Manager provided an overview of the report. The Board's views were sought on the February training programme and feedback was positive. There was a discussion around the September training and the Board expressed a strong preference for the return of in-person training.

A discussion took place around the Hymans Robertson Learning Academy and feedback were again positive. It was agreed that any unused licences could be reallocated to new Committee / Board Members or Officers.

Agreed: That the report be noted.

6. Local Pension Board – Quarterly Report to Pensions Committee (for information and read only)

Submitted: Report of the Head of Pensions

The Chair took that the report was for information and read only and no discussion took place on the item.

Agreed: That the report be noted.

7. Risk Management and Internal Audit (for information and discussion)

Submitted: Report of the Head of Pensions

The Principal Governance and Funding Manager provided an overview of the Risk Register following the most recent review earlier this month. This included a discussion around the changes that had been made

and a detailed review of two selected risks. An update on the 2021/22 internal audit programme was provided followed by a discussion around the prospective plan for 2022/23.

Agreed: that the report be noted

8. Transfers Out Procedure (for information and discussion)

Submitted: Report of the Head of Pensions.

The Principal Governance and Funding Manager presented a report which detailed the Fund's approach to member requests to transfer accrued benefits to other registered pension schemes. Board Members were advised that a new Transfer Out Procedure had been developed for consideration.

An overview was provided as to the changes to the procedure and the reasons for the changes. A discussion took place around the procedure with the Board suggesting some minor amendments. The Board was supportive of the Procedure and its implementation.

Agreed: That the report be noted

9. Chairman's Urgent Items

There were no Urgent Items.

10. Responsible Investment and Climate Change (for information and discussion)

Submitted: Report of the Head of Pensions.

The Principal Investment Manager provided an overview of the Fund's approach to managing climate risks and opportunities as well as updating the Board on the Fund's carbon reduction targets. It was explained to the Board that issues in respect of the Climate emergency are a significant focus within the Pensions Service.

It was explained that Carbon Foot Printing and Carbon Metrics were used to assess and analyse the levels of carbon output of the Fund. Data provided by each investment manager had been included in reports and presentations to the Committee. The Carbon footprint work undertaken showed that the Fund had already made good progress in reducing its Weighted Average Carbon Intensity with a 15% reduction over the two-year period, from 2019 to 2021.

A discussion took place around the format and frequency of future reports. The Board agreed that a detailed annual report is appropriate with more brief quarterly updates focusing on the metrics.

Agreed: That the report be noted.

11. Preparation for the 2022 Valuation (for Information and Discussion)

Submitted: Report of the Head of Pensions.

The Principal Governance and Funding Manager detailed a report which informed the Board of the ongoing preparation for the 2022 Valuation and of the recent decisions made by the Pensions Committee.

An overview was provided on the funding level as at 31 December 2021 as well as the principles approved by Committee for the funding strategy for the 2022 valuation. There was a detailed discussion around the proposed funding strategy and the Board was supportive of the approach to be taken having regard to the desire to seek consistency in the employer contribution rate.

Agreed: that the report be noted.

12. Pooling of Assets – Annual report (for Information and Discussion)

Submitted: Report of the Head of Pensions.

The Principal Investments Manager detailed a report which updated the Board with the latest position on asset pooling.

Board Members were advised that there was an ongoing review of the governance arrangements for Border to Coast and that officers from the Fund were involved with this. This remains an ongoing exercise and the Board will be kept updated as to future developments.

Agreed: That the report be noted.

13. Breaches, Pension Processing and Performance Information (for information and discussion)

Submitted: Report of the Head of Pensions.

The Principal Pensions Manager detailed a report which updated the Board on matters concerning breaches of the law in respect of pensions administration, pension processing, individual employers, and electronic systems.

There was a discussion around pensions processing volumes and these being adversely impact by staff turnover as well as the demands of staff progressing work in respect of the McCloud remedy. It was explained that there was flexibility within the work force and temporary staff were being sought to assist with the McCloud remedy. Also, the proposed restructure of the service would provide greater efficiency and improve customer service.

Agreed: That the report be noted.

14. Scheme Employer Update (for information and read only)

The Chair took that the report was for information and read only and no discussion took place on the item.

Agreed: That the report be noted.

15. Pension Committee Minutes (for information and read only)

The Chair took that the report was for information and read only and no discussion took place on the item.

Agreed: That the report be noted.
