



Local Pension Board Minutes

5 July 2023

Present: Nicholas Wirz (*in the Chair*), Tom Hunter, John Pearson, Mick Brodie, Tony Carr, Rachel Dunn & Councillor Doreen Purvis.

Paul McCann (Head of Pensions)
Heather Chambers (Principal Pensions Manager)
Neil Sellstrom (Principal Investment Manager)
David Hayward (Lead Officer for the Board)
Ian Pattison (Assurance and Risk Manager)
Sean Allen (Strategy and Democracy Support Officer)
Jonathan Lunness (Strategy and Democracy Support Officer)
Rob Jones (Ernst & Young)

Apologies: Tracey Bell

1. Declarations of Interest

N Wirz, P McCann, H Chambers, N Sellstrom, D Hayward, I Pattison, J Pearson, T Carr, R Dunn, J Lunness and S Allen 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 the meeting of 30 March 2023

Resolved: That the minutes of the meeting held on 30 March 2023 be confirmed as a true record.

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

Submitted: Report of the Head of Pensions.

Items brought forward noted in the report were all agreed by the board

Agreed: That the report be noted.

4. Meeting dates for 2023/24 (for information and read only)

Submitted: Report of the Head of Pensions

Members of the board indicated they were happy with the proposed dates.

Agreed: That the report be noted.

5. Report and Accounts (for information and discussion)

Submitted: Report of the Head of Pensions.

The board were provided with an update on the 2021/2022 audit status and the current audit plan.

The board queried why the fees that would be payable cannot be confirmed, it was advised this is not able to be confirmed until the 2021/2022 financial statements are signed off. The third-party confirmation were also queried, did they need to be chased or were they on time. It was noted they were on time and any issues that arise come with back and forth to resolve the query.

Agreed: That the report be noted.

6. Internal Audit Annual Report 2022/23 (for information and discussion)

Submitted: Report of the Head of Pensions.

The board were provided with a summary of the audit work completed by the internal audit team throughout 2022/2023 and an overview of the 2023/2024 audit plan.

Agreed: That the report be noted.

7. Training for the Local Pension Board (for information and discussion)

Submitted: Report of the Head of Pensions

The board were provided with the training requirements for the local pension board.

This was agreed, but some areas were raised to focus on. This included some back-to-basics training as there has been some turnover on the Committee and to investigate the possibility of hybrid training where online as well as in person is available, or having training recorded and put online for the members to view at their own convenience. This would then allow people who were unable to attend the training still to be classed as in attendance.

Agreed: That the report (a) approve the training policy for 2023/24 and (b) be noted.

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

Submitted: Report of the Head of Pensions.

Members of the board confirmed they were happy for the report to be noted as read.

Agreed: That the report be noted.

9. Local Pension Board Annual Report (for information and discussion)

Submitted: Report of the Head of Pensions.

The report was provided as a copy, which will be presented to the Pensions Committee in September 2023. This will also be published on the Fund's website and referenced in the annual report and accounts.

One aspect was asked to be changed, as the employer was noted for R Dunn as Newcastle College, when it should have been NCG.

Agreed: That the report be noted.

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

Submitted: Report of the Head of Pensions

The report contained the current fund level Risk Register and provided an overview of the internal audit programme.

One of the current risks was the lack of knowledge and understanding of pensions on Committee. This was not a reflection of the members, but a reflection of the turnover in Committee membership in this municipal year.

A board member raised a concern in respect of S12 about the security of the network and asked if an independent penetration test was carried out. It was noted that this is something that is carried out and that cyber security is a high priority. Contingency plans are all in place and breaches must follow strict scrutiny protocols with reporting being required within 72 hours.

Industrial action was also raised as something that needs to be considered in future, this was noted as something to be taken away and reviewed.

Agreed: That the report be noted.

11. Work Programme for 2023/24 (for discussion)

The work programme was discussed for the year. Cyber Security was to be included, with the first report to be significantly more in depth. The Taskforce for Climate-Related Financial Disclosures was also noted. With the board asking to be kept updated on this workstream. It was also agreed that the board would self-assess against the Knowledge and Skills Framework.

Agreed: That the report be noted.

12. Climate Change and Carbon Metrics (for information and discussion)

Submitted: Report of the Head of Pensions

The report provided an update on the progress against climate related actions in 2023/24 service plan, including defining appropriate carbon metrics and working with the Fund's investment managers to ensure they are addressing the Fund's climate change ambitions.

It was noted that the data quality and coverage had improved greatly from 2021 but remains an issue in producing reliable metrics for the Fund.

Agreed: That the report be noted.

13. Stewardship Report (for information and discussion)

Submitted: Report of the Head of Pensions

The report was submitted to set out the requirements for the stewardship code and outlines the status of the Fund with regards to compliance in 2022/2023.

The report is currently being reviewed to confirm whether it is compliant. This will be reported back with the outcome and any

feedback if required. It was asked if the feedback was clear, it was confirmed that the feedback is normally transparent and will provide all details that are relevant.

Agreed: That the report be noted.

14. Chair's Urgent Items

There were no Chairman's Urgent items.

15. Pensions Processing and Breaches of the Law (for information and discussion)

Submitted: Report of the Head of Pensions

The report was submitted with updates to the board on matters concerning breaches of the law in respect of pensions administration, pension processing, individual employers, and electronic systems.

It was reported that 2022/2023 was challenging, but that as recruitment has been successful improvements should be seen in the second half of 2023/2024.

It was also noted that the Pensions Dashboard programme is still proceeding, and the McCloud project continues to proceed with a report due at the next board meeting.

Agreed: That the report be noted.

16. Scheme Employer Update (for information and discussion)

Submitted: Report of the Head of Pensions

Members of the board confirmed they were happy with the report.

Agreed: That the report be noted.

17. Pensions Committee Minutes (for information and read only)

Members indicated they were happy with the minutes and for them to be noted.

Agreed: That the report be noted.

18. Review of Meeting and Report to Pensions Committee (verbal)

The Chair ended the meeting and thanked those in attendance for their contributions.
