



## South Tyneside Council

---

### Local Pension Board Minutes

21 October 2022

Present: Nicholas Wirz (*in the Chair*), Tony Carr, John Pearson, Mick Brodie, Tracey Bell, and Rachel Dunn.

Ian Bainbridge (Head of Pensions)  
Paul McCann (Principal Governance and Funding Manager)  
Heather Chambers (Principal Pensions Manager)  
Helen Wilson (Senior Governance Officer)  
Brian Springthorpe (Strategy and Democracy Support Officer)

Apologies: Councillor Purvis, and Tom Hunter

---

#### 1. Declarations of Interest

***N Wirz, T Carr, J Pearson, R Dunn, I Bainbridge, P McCann, H Chambers, H Wilson, and B Springthorpe*** 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 6 July 2022

Resolved: That the minutes of the meeting held on 6 July 2022 be confirmed as a true record.

#### 3. Annual Report and Accounts 2021/22 (for information and discussion)

Submitted: Report of the Head of Pensions.

Ian Bainbridge advised the Board of the current position on the annual accounts for both 2020/21 and 2021/22.

The 2020/21 accounts had still not been signed off due to a national issue around infrastructure assets in local authorities' accounts. There were no issues of concern with the Pension Fund accounts but as they formed part of the Council's wider accounts, they could not be signed off until this issue was resolved. It was understood that this was near resolution and the 2020/21 accounts were expected to be signed off soon.

The 2021/22 accounts could not be signed off until the previous year's accounts had been finalised. The External Auditor, EY, had indicated that they still expected this to be done ahead of the deadline at the end of November. There were, however, some concerns raised around this, due to delays with EY.

The procedure for signing off the accounts through the Council's Audit Committee and General Purposes Committee was highlighted. The External Auditor should be in attendance at the next Board meeting to present their report on the accounts.

The Board recognised that the issues were with the External Auditor and not the Pension Fund accounts and discussed future arrangements.

Agreed:            That the report be noted.

#### **4. Items Brought Forward (for information and discussion)**

Submitted: Report of the Head of Pensions

Two items were highlighted: the Pensions Regulator's Single Modular Code and the Employer Engagement Strategy.

Paul McCann advised that the annual review of Code of Practice 14 was due to be replaced with the Singular Modular Code, however, this had been delayed as it has not yet passed through parliament. The four options available to the Board were highlighted and considered. It was felt that the second option presented the best way forward with a full assessment against Code of Practice 14 and a light touch on the Singular Modular Code. A deep dive into the Modular Code would be carried out when it had been fully established.

The Employer Engagement Strategy was a piece of work identified in the Service Plan. The Strategy should be presented to the Board by the end of the financial year, if not, this would be picked up in the next year's work plan.

Agreed:            (a) That the report be noted and (b) the option outlined be supported.

---

**5. Training for the Local Pension Board (for information and read only)**

Submitted: Report of the Head of Pensions.

The Board discussed the recent off-site training held in Leeds and the proposed training scheduled for February 2023. The merits of the hotel, room layout, and alternative venues were considered, and the Board was supportive of re-booking the DoubleTree Hotel, in Leeds, if possible.

Consideration was given to the list of possible training topics detailed in the report.

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

Paul McCann confirmed that the Risk Register was reviewed on a quarterly basis. Four changes had been made since September and the Board was advised of each change and the reasons why the changes had been made.

The Board discussed the impending retirement of the Head of Pensions and raised the issue of notice period for future appointments. It was suggested that the issue be raised with the successful applicant as part of contract negotiations.

Discussion took place on the funding level and the impact the current fall in asset value would have on this. It was noted that whilst the asset value had fallen, the value of the liabilities was also expected to have fallen. The position was being monitored by the Fund Actuary.

Agreed: (a) That the report be noted and (b) that the contractual issues highlighted be reported back.

**8. Death Grant Policy (for information and discussion)**

Submitted: Report of the Head of Pensions.

The Board was advised that the previous policy was approved in 2014.

---

The draft new Policy was contained in the report. Death grants could be complex, emotive, and contentious decisions and flexibility was needed to deal with each case based on its own individual circumstances.

Agreed: (a) That the report be noted, and (b) the draft Policy was supported by the Board.

## **9. Climate Change and Carbon Metrics (for information and discussion)**

Submitted: Report of the Head of Pensions

The Chair advised that this was a quarterly item and the Board noted that there was not much to report since the last meeting. Several updates would be presented to the Board at its next meeting.

The Board considered whether the targets detailed in the report were ambitious enough and recognised that data on metrics were starting from a low base as information and statistics developed. Ian Bainbridge indicated that he was happy with the way Border to Coast was approaching this issue.

Agreed: That the report be noted.

## **10. Valuation as at 31 March 2022 (for information and discussion)**

Submitted: Report of the Head of Pensions

Paul McCann highlighted the key decisions made by the Pensions Committee at its last meeting. The Board was advised that the work on the valuation was going well.

Agreed: That the report be noted.

## **11. Breaches, Pensions Processing and Performance Information (for information and discussion)**

Submitted: Report of the Head of Pensions

Heather Chambers presented the report and highlighted that the performance against disclosure deadlines continued to improve and stood at 84%. Outstanding processing volumes continued to rise, with the backlog now standing around 12,500, back to the levels of 2016. It was noted that the backlogs were in the lower priority work and that higher priority work was not in backlog. The situation continued to be closely monitored.

Processing of the Annual Benefits statements had gone well, and most employers had performed well providing the necessary information.

---

The Board was advised that the staffing restructure was progressing well with all manager posts and Senior Pensions Officer posts being filled. However, it was only possible to fill two of seven Pension Officer posts. It was noted that pensions processing backlogs were likely to remain high, and may increase, until all vacancies had been filled.

There was a discussion about problems of recruitment across the region and that this was not just something affecting the Pensions Service. It was noted by Mick Brodie that only half of online applications started were completed. Mick Brodie noted some work that his organisation had been involved in, to help councils with recruitment and details were provided as to how the Fund could access this service.

The Board questioned whether the problems with recruitment, and therefore the backlogs of work, could have been identified earlier and action taken to address this. The Officers felt that the position had been managed as well as could be expected, given the circumstances of the past couple of years, but agreed to look at how the position could be improved going forward. This included the potential use of third-party providers.

The performance of the AVC provider was discussed and it was noted that whilst some day-to-day matters had improved, other issues and concerns remained.

Agreed: That the report be noted.

## **12. Reporting Data Breaches (for information and discussion)**

The Board was advised that there had been no material data breaches. Most breaches were due to human error, for example, two letters posted in the same envelope. Work continued to prevent such breaches using the Fund's online portal and the 'mypension' service.

Discussion followed on the impact and consequences of data breaches and the need to learn from any occurrences.

Agreed: That the report be noted.

## **13. Chair's Urgent Items (for Information and Discussion)**

The Chair agreed to accept the following item for consideration by the Board as a matter of urgency, under the provisions of Section 100B (4) of the Local Government Act 1972 because of the following special circumstances:

Data Quality Annual Report (for information and discussion) – in order to highlight this issue to Members at the earliest opportunity.

## **14. Data Quality Annual Report (for information and discussion)**

Submitted: Report of the Head of Pensions

---

Heather Chambers advised the Board that Civica had been re-appointed as the contract provider for the pensions administration system until 2029.

It was planned to introduce monthly contributions postings should a pilot exercise prove successful.

Attention was drawn to the Pensions Regulator's data scoring requirements, to the type of data held and the retention of records. The data quality scores for 2022 were reported to the Board. Overall, the scores were positive.

Agreed: That the report be noted.

**15. Scheme Employer Update (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.

**16. Pensions Committee Minutes (for information and read only)**

The minutes of the Pensions Committee meeting held on 27 September 2022 were noted.

**17. Review of Meeting and Report to Pensions Committee (Verbal)**

The Chair highlighted the issues he intended to raise with the Pensions Committee.

---