



South Tyneside Council

Local Pension Board

Date: 20th December 2023

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

Report of the Head of Pensions

Purpose of Report

1. The Chair of the Local Pension Board provides a quarterly report to Pensions Committee. This is presented to the Committee alongside the minutes of the Local Pension Board meeting.
2. The last meeting of the Local Pension Board took place on 20th October 2023. Attached is a copy of the Local Pension Board Chair's report that was presented to Pensions Committee on 1st December 2023.
3. The Board is asked to note the report.

Contact Officer:

Paul McCann, Head of Pensions

pensions pensions pensions pensions pensions

Tyne and Wear Pension Fund
Report of the Chair of the Local Pension Board
Meeting of 20th October 2023

Purpose of the Report

1. The purpose of this report is for the Pensions Committee to learn of the Board's observations on topics referred from the Committee and to consider any recommendations from and assurances gained by the Tyne and Wear Local Pension Board, and any other relevant information, emanating from the meeting of the Board on 20th October 2023.

Recommendations

2. There are no recommendations to Pensions Committee following the meeting of the Board.

Outcomes from the Local Pension Board (LPB) Meeting

3. Item 7 Risk Management and Internal Audit

Quarterly monitoring of the risk register has been delegated to the LPB. At this meeting the LPB reviewed the two risks that have been changed by officers, namely:

Risk R1 "Insufficient attention to environmental, social and governance (ESG) issues lead to reputational damage". This was moved from "Probable/Marginal (High)" to "Possible/Marginal (Moderate)"; and

Risk S6 "Key people leave, and this places a strain on remaining resources to cover the role and responsibilities". This was moved from "Near Certain/Marginal (High)" to "Probable/Marginal (High)".

The LPB agreed with the rationale for these changes, which it supports.

The LPB also looked at two other risks in more detail, namely:

"S9 High Risk (Likelihood – Near Certain/Impact – Marginal - insufficient resources create problems in service delivery."; and

"A9 Moderate Risk (Likelihood – Probable/Impact Negligible – That in the longer term the amount of cash coming into the Fund reduces to a level that is not sufficient to cover outgoings".

Whilst the Board considered that both of these risks are appropriate, most of the discussion focused on risk S9. The LPB debated whether this risk was rated too low and ought to sit better as having a "significant" impact. The LPB felt that this risk is currently right at the

top of the “Marginal” impact category. It is hoped that the steps the Administering Authority is taking will prevent the impact of this issue increasing further and will, in fact reduce the impact. The LPB has asked for this risk to be brought back for its consideration during 2024.

The LPB had no other comments to make on the remaining entries on the risk register.

4. Item 11 Policy Update – Member Led Quotations and Certificates

The Administering Authority has revised its “Member Led Estimate Quotations” and “Certificates” policies. The LPB discussed in some depth the move to accept uploaded documentation and simple photocopies whereas in the past original documents were required. The LPB was reassured by officers that these changes have not created any problems as a result of document tampering leading to benefits being paid when there is no eligibility or being paid at the incorrect level. The LPB supports the intention of making these processes more accessible and queried whether there might be an enhanced role for the Administering Authority’s employer services teams to make sure the information received from employers is more able to cross-reference information uploaded/simple photocopies for accuracy.

Closing Remarks from the Chair

5. I would like to thank the Board members and the fund officers for their excellent contributions during the meeting.

**Nicholas Wirz – Chair of the Local Pension Board
Tyne and Wear Pension Fund**

Local Pension Board – Quarterly Report

The following is a list of the background papers (excluding exempt papers) relied upon in the preparation of the above report:

Background Paper	File Ref:	File Location
Local Pension Board Reports and Agenda	N/a	Pensions Office, Town Hall, South Shields