



# South Tyneside Council

## Local Pension Board

Date: 18 October 2024

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

Report of the Head of Pensions

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### **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 4 July 2024. Attached is a copy of the Local Pension Board Chair's report that was presented to Pensions Committee on 30 September 2024.
3. The Board is asked to note the report.

**Tyne and Wear Pension Fund  
Report of the Chair of the Local Pension Board**

**Meeting of 4 July 2024**

**1. Purpose of the Report**

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 Thursday 4 July 2024.

**2. Recommendations**

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

**3. Outcomes from the Local Pension Board (LPB) Meeting**

**Agenda Item 8 Training for the Local Pension Board**

The LPB approved the updated Training Policy. Feedback was also provided to the Head of Pensions in relation to topics to be covered at future training events.

**Agenda Item 10 Work Programme for 2024/25**

The LPB supported the proposed annual work programme, preferring continuity of focus where possible.

In addition to the continued inclusion of the majority of the quarterly and annual reports the LPB receive, the LPB agreed to add the following items to its work programme for the forthcoming year.

- The 2025 Actuarial Valuation. The LPB wished to receive updates on a number of actions which will be carried out during 2024-25 in respect of the 2025 actuarial valuation.
- Performance Monitoring. The LPB are keen to be kept informed of the Fund's progress in a number of areas including key objectives in the Service Plan, pensions processing backlogs and performance against Disclosure and KPIs.
- Breaches of the Law. The Record of Breaches Log (showing reported and non-reported breaches of the law) will be reported to the Local Pension Board on a quarterly basis.
- Training attendance. Recognising that training for Committee and Board members is likely to become an enhanced area of focus over the coming years, the Board will play a role in monitoring and encouraging attendance.

The LPB were also informed that Fund Officers are evolving the form of reporting on Responsible Investment and Climate Change and that the work programme in 2024-25 would introduce a wider stewardship report as well as being kept informed of key issues relating to RI Policy.

### **Agenda Item 11 Risk Management and Internal Audit**

The LPB was informed that officers had altered the risk category of 3 risks, increasing each from a category of “Probable/Marginal (High)” to “Near Certain/Marginal (High)”. These were items G1 (There may be a lack of knowledge and understanding by the Committee and Local Pension Board), L1 (Failure to apply the Regulations correctly in relation to benefits) and S10 (Failure to fully rectify the members GMP values following the GMP reconciliation process).

The LPB discussed these changes and agreed that increasing the risk category was appropriate in each case. The LPB was reassured that at this stage none of the areas were deemed as materially significant to require the Fund to report as breaches to the Pensions Regulator and it was acknowledged that officers needed to apply a risk-based approach in administration when agreeing work priorities.

In respect of the risk G1 (There may be a lack of knowledge and understanding by the Committee and Local Pension Board) the LPB were advised that the increased risk score reflected the impact from a new term for both the Committee and Local Pension Board members and changes to the membership, meaning that the overall training requirement had increased.

The LPB also discussed two further risks on the risk register:

S9 - High Risk (Likelihood – Near Certain / Impact – Marginal) - Insufficient resources create problems in service delivery.

This risk is one that poses significant challenge to the Fund, and the LPB had requested re-visiting this risk at this meeting. The LPB agrees with the categorisation of this risk and accepts that whilst ongoing recruitment has resulted in an improved level of staffing and an ongoing programme of staff development means that staff have the knowledge and skills required, the issue of adequately resourcing the LGPS remains an ongoing concern. The LPB was informed by Fund Officers that the LGPS continues to face significant challenges across the wider industry. The development in technology will play an important role in the service delivery and the need to implement digital solutions to increase automation where possible will ensure the fund can effectively maximise its workforce.

L4 - Moderate Risk (Likelihood – Probable / Impact Negligible) – The Fund fails to comply with General Data Protection Regulations or has a data protection breach.

The LPB agrees with the categorisation of this risk. The LPB's discussion focused on the importance of data security and compliance. The LPB is pleased that there are robust controls and procedures in place to avoid the risk manifesting, which are kept up to date.

## **Item 16: Breaches of the Law – Quarter 1 update**

The LPB was pleased to receive its first quarterly update and an overview of breaches of the law which have occurred during this first quarter of 2024-25. Receiving these regular updates will support the Board's role in ensuring the Fund has robust governance arrangements in place and is compliant with regulatory requirements.

### **4. Closing Remarks from the Chair**

I would like to thank the Board members and Fund Officers for their contributions during the meeting.

**Cllr Ernest Gibson – Chair of the Local Pension Board  
Tyne and Wear Pension Fund**

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## Local Pension Board – Quarterly Report

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

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