

Advance Copy: The Local Pension Board need to agree these minutes are accurate but cannot do this until its next meeting on 17 December 2024



South Tyneside Council

Local Pension Board Minutes 18 October 2024

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

Also in attendance:

Paul McCann (Head of Pensions)
Heather Chambers (Principal Pensions Manager)
Elizabeth Vollans (Principal Governance and Funding Manager)
Richard Tebbs (Ernest & Young)
Sean Allen (Democratic Support Officer)

Apologies: Cllr E Gibson

1. Declarations of Interest

N Wirz, J Pearson, T Hunter, R Dunn, T Carr, H Chambers, P McCann, E Vollans & 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 4 July 2024

Resolved: That the minutes of the meeting held on 4 July 2024 be confirmed as a true record.

3. Items Brought forward

Submitted: Report of the Head of Pensions

The report set out matters brought forward from earlier periods which required action. The item was agreed by the Board.

Agreed: That the report be noted.

4. Annual Report and Accounts 2023/24

Submitted: Report of the Head of Pensions

Richard Tebbs from Ernst and Young provided a report on the accounts and their sign off status.

The report provided the Board with the annual Report and Accounts as well as the financial statement for 2023/34. The draft audit report was provided as part of the Board's agenda pack for review.

A member queried the noted late payment of pension contributions that was not chased and queried the cause of this. It was noted that it occurred due to a transition period with staff and that the issue had highlighted a process area that had been addressed and made more robust to avoid this occurring again.

Agreed: That the report be noted.

5. Training for the Local Pension Board

Submitted: Report of the Head of Pensions.

The report set out the proposed training policy for the Board.

The Board noted that the training event in September had been positive, but intense and that there would be some items brought back to future training where possible.

It was noted that one of the challenges was ensuring the elected members of the Board were engaging with the training while appreciating their workload meant it would always be difficult for them to engage with the full training schedule.

Agreed: That the report be noted.

6. Local Pension Board – Quarterly report to Pensions Committee

Submitted: Report of the Head of Pensions

The Board were happy to note the report and had no comments.

Agreed: That the Board noted the report.

7. Risk Management and Internal Audit

Submitted: Report of the Head of Pensions

This report contained the current Fund Risk Register and provided an overview of the internal audit programme.

During the review 3 risks had changes made, with 2 reducing the overall risk score and 1 increasing. The raised risk was due to the Principal Governance & Funding Manager recently tendering their resignation which meant a key vacancy would need to be filled.

2 risks had been reviewed in more depth.

L1 – Failure to apply the regulations correctly in relation to benefits, especially where changes may be retrospective (eg McCloud); and

G2 - Following the move to asset pooling the Fund has reduced control over the implementation of the Investment Strategy which may lead to sub optimal decisions being taken on behalf of Tyne and Wear Pension Fund.

The Board made no comments on G2, but raised a concern with L1 and noted that the risk rating of marginal felt incorrect as past experience of these situations with historical retrospective work had a greater impact.

It was noted that the reason for the rating was based upon the robust test matrix and training that had been completed and that was available, therefore marginal was the correct rating.

Agreed: That the report be noted.

8. Stewardship Quarterly Update Report

Submitted: Report of the Head of Pensions.

The report provided an overview of actions undertaken in the last quarter in respect of the Fund's commitment to being a responsible investor and a good steward of capital.

The report layout had been updated and the Board members noted that they approved of the update and subsequent information provided within the report.

Agreed: That the report be noted.

9. Chair's Urgent Items

There were no Chair's Urgent items.

10. Pensions Processing

Submitted: Report of the Head of Pensions

The report provided an overview on pensions processing, including the current backlog position and the ongoing recovery plan.

The team had been split to allow focus on the backlog and it was noted that a report with further updates would be brought to a future Board meeting.

Agreed: That the update be noted.

11. Pensions Administration

Submitted: Report of the Head of Pensions

The report set out a range of management information relating to pensions administration performance.

It was noted no employers required any addressing with the Board.

Agreed: That the report be noted.

12. Breaches of the Law

Submitted: Report of the Head of Pensions

The report provided information relating to any breaches of the law during the last quarter.

Agreed: That the report be noted.

13. Service Plan and Budget

Submitted: Report of the Head of Pensions

The report provided an update on progress against key actions identified in the service plan.

A member noted they hoped that any savings would result in reinvestment.

Agreed: That the report be noted.

14. Scheme Employer Update

Submitted: Report of the Head of Pensions

The report was submitted and taken as read by all members.

Agreed: That the report be noted.

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

The minutes of the Pensions Committee meeting held on 30 September 2024 were submitted and taken as read by all members.

Agreed: That the minutes be noted.

16. Review of Meeting and report to Pensions Committee (Verbal)

The Chair thanked all for attendance.