



South Tyneside Council

item2

Local Pension Board Minutes 17 December 2024

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

Also in attendance:

Paul McCann (Head of Pensions)
Heather Chambers (Principal Pensions Manager)
Heather Wake (Governance & Funding Manager)
Russell Wilkes (Administration Team Manager)
Neil Sellstrom (Principal Investment Manager)
Sean Allen (Democratic Support Officer)

Apologies: Cllr **E** Gibson

1. Declarations of Interest

N Wirz, J Pearson, T Hunter, R Dunn, T Bell, T Carr, H Chambers, N Sellstrom, P Mccann, S Allen, H Wake & R Wilkes 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 18 October 2024

Resolved: That the minutes of the meeting held on 18 October 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 Cyber Security training was noted as not being available to be delivered in Edinburgh at the upcoming training event due to ICT being required to deliver it.

Agreed: That the report be noted.

4. Training for the Local Pension Board

Submitted: Report of the Head of Pensions.

The Board discussed the prospective training programme for the February off-site event and were comfortable with the proposal.

It was requested that greater use is made of more interactive sessions. The Head of Pensions confirmed the expected use of Slido.

Agreed: That the report be noted.

5. 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.

6. 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, two risks had been amended. One had been assessed as having an increased impact and the other risk had been deleted. The Board discussed the two changes and agreed:

A9 – no comments from the Board. Happy with the details.

G5 –the Board agreed that this risk was appropriately covered elsewhere and could be deleted.

Two further risks were reviewed in detail within the report, Board members were invited to comment:

S14 -- Failure to develop and introduce improved working practices as part of the Modern Workplace programme leads to a reduction in productivity.

F1 – The funding level worsens or falls below 100%, due to outturn differing from valuation assumptions.

Members noted that processing may not be as efficient at home regarding risk S 14, due to limitations with internet upload speeds. The Board commented that this risk could change over time and asked to review this again in 18 months' time. This was agreed.

In respect of risk F1, it was noted that the Fund is over 100% funded at present and, although this could change, the Fund was well-positioned.

It was noted that the 23/24 audit programme had completed and the Fund received substantial assurance. The 2024/25 audit programme remained ongoing at this time.

Agreed: That the report be noted.

7. Annual Climate Change Report

Submitted: Report of the Head of Pensions

The report provided an overview of the climate change actions contained in the Service Plan for 2024/25 – 2026/27.

The report also updated the Board on the revised net zero targets and an updated Net Zero Roadmap.

It was noted that the original 2025 target had been achieved in 2023.

A member asked if there was any impact of the election of Donald Trump in respect of fossil fuels. It was noted that there was an unknown element with this election and the position would be monitored. However, it wasn't expected to impact the approach taken by the Fund and its partners.

It was noted that the metrics were all updated and would be monitored.

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 Board considered the content of the report and were comfortable with the information on voting and engagement. The Board also provided positive feedback on the recent LAPFF conference where some of these issues had been discussed.

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 Administration Manager (Processing Taskforce) provided an overview of the current position and set out the progress made to date, as well as summarising the challenges. The Board were happy with the work of the Processing Taskforce.

Agreed: That the update be noted.

11. Pensions Administration: Monitoring of Performance

Submitted: Report of the Head of Pensions

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

No particular employer issues were raised with the Board. The planned introduction of Employer Scorecards was discussed.

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 and the current budget projections.

The Head of Pensions explained that two workstreams had been delayed (member engagement and workforce strategy review) as these projects were best undertaken after the Teesside transition. The Board was comfortable with this. Two further workstreams (GMP and monthly data collection) were at risk of delay although it was hoped they could get back on track.

Agreed: That the report be noted.

14. Data Quality Annual Report

Submitted: Report of the Head of Pensions

The report updated the Board on matters concerning data quality in respect of pensions administration and member benefits.

Agreed: That the report be noted.

15. The Pensions Regulator General Code

The Governance and Funding Manager provided an overview of the recent internal review of compliance against the General Code.

Fund Officers had assessed the Fund as fully compliant in 25 out of 32 areas (using the Aon assessment template).

The Fund will work towards full compliance in all areas (as far as possible) and commission an external review by Aon later in 2025. This will be reported back to the Board.

Agreed: That the report be noted.

16. Local Pension Board: Annual Performance Assessment

Submitted: Report of the Head of Pensions

The report provided an overview of the regime for self-assessment by the Pensions Committee, Local Pension Board, Fund Officers and advisors.

The Board reviewed the proposed template for self-assessment and were happy for this to be adopted. The assessment will take place at the off-site February training event.

Agreed: That the report be noted.

17. 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.

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

The minutes of the Pensions Committee meeting held on 29 November 2024 were submitted and taken as read by all members.

Agreed: That the minutes be noted.

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

The Chair thanked all for attendance.