

Dear Mike and Nicholas

A belated thank you for your email asking for the views of the other Local Pension Boards on the above issue. The Northumberland LPB is pleased to have received regular and timely updates on the decisions required and progress made as we move towards the establishment of pooling. The issue at Board level of whether or not to support a role for a scheme member representative was being deferred pending receipt of guidance from the Scheme Advisory Board which we gather is still awaited. The Board has now discussed the issue, plus associated wider aspects, including that of communications between the Pool and Local Pensions Boards, and is making six recommendations to the Northumberland Pensions Panel, at its next meeting on 31 March 2017, as shown below.

The Northumberland Local Pension Board unanimously recommends to the Pension Fund Panel:

- 1 to support the proposal of the Tyne and Wear LPB that a place is found for one scheme member representative to attend the meetings of the Member Steering Group / Joint Committee of the Border to Coast Pensions Partnership Pool;*
- 2 that that representative attend In a speaking but non-voting capacity;*
- 3 that that representative should be an existing Board member at one of the Administering Authorities in the Border to Coast Pensions Partnership Pool;*
- 4 that that representative need not necessarily be an appointed Trade Union representative, although such a representative would more likely be better placed to facilitate communication with scheme members.*

The Northumberland Local Pension Board also considered the related issue of communication flows to Boards from the Pool. It acknowledges that the dominant feature of a Board's agenda is the administration function and risk management and that Pooling issues will never be the primary focus. The Board notes that the recent CIPFA Guidance "Investment Pooling Governance Principles" refers (page 25) to the need for effective communication with LPBs as follows:

"keeping the pension committees (which often have scheme member and employer representatives) and local pension boards properly informed (and consulted with) on the development and ongoing operation of the investment pool"

Each Committee would be represented on the Pool and therefore have first-hand knowledge and awareness. At this stage it is very difficult to get a satisfactory feel for the effective communication flows that would facilitate Boards in their statutory reviewing role. LPBs need to feel confident that they are sufficiently "in the loop" to carry out their role effectively. Pragmatically, a case could be made for one LPB Chair to have observer status, perhaps on a 12 month rotation, providing feedback to

all other LPB Chairs, who can then share with their own LPB. This solution would not only appear to be consistent with the aims of the Guidance, but would also make the transparency of the Pool's activities that much stronger.

Thus the Northumberland Local Pension Board further unanimously recommends to the Pension Fund Panel:

5 to support the presence in an Observer status of one LPB Chair at meetings of the Member Steering Group / Joint Committee of the Border to Coast Pensions Partnership Pool, perhaps on a 12 month rotation, providing feedback to all other LPB Chairs, who can share with their own LPB, with the associated costs being picked up either by the Administering Authority for their year or split equally between the participating Funds.

Regarding information flows to Scheme Employers within the Pool, the Northumberland Local Pension Board further unanimously recommends to the Pensions Panel:

6 to support effective communication by the Pool with scheme employers, consistent with the CIPFA Guidance (page 25) relating to employer forums, annual meetings, meetings with large employers and employer newsletters.

Finally, Northumberland Local Pension Board supports the proposal of the Chair of the Tyne and Wear LPB, as is happening with at least one other LGPS Pensions Pool, to establish lines of communication among the Board Chairs within our Pool, which will help us all to discharge our statutory duties more effectively, particularly if coupled with Recommendation (5) above.

I hope you find these recommendations helpful.

It was a pleasure to meet several Chairs and members of the Local Pension Boards in our Pool at the CIPFA Pensions Network / Barnett Waddingham event in Leeds on 1st March, and other who attended the equivalent event in London two days earlier. We are looking to stage a similar event in Leeds in twelve months' time.

Gerard Moore
Independent Chair
Northumberland Local Pension Board