



Local Pension Board

Minutes of a meeting of the Local Pension Board held at Walton Room, The Guildhall, Northampton on Thursday 25 January 2024 at 2.00 pm.

Present:

Alicia Bruce (Chair)
Julie Petrie (Vice-Chair)
Councillor Andrew Weatherill
Katy Downes
Kevin Standishday

Apologies for Absence:

Councillor Greg Lunn

Officers:

Paul Hanson, Head of Democratic & Elections
Mark Whitby, Head of Pensions
Michelle Oakensen, Governance and Regulations Manager
Jeverly Findlay, Committee Officer
Fiona Coates, Pension Services Financial Manager
Madalina Bratec, Governance Specialist

116. **Declarations of Interest**

No interests were declared.

117. **Minutes**

RESOLVED: The Local Pension Board approved the minutes of the meeting held on 2 November 2023.

118. **Action Log**

Members of the Board were asked to note the Action Log. It was noted that Councillor Weatherill's query in the Action Log would be addressed after the meeting.

RESOLVED: The Local Pension Board noted the action log.

119. **Annual Report and Statement of Accounts**

The Pension Services Financial Manager presented the Annual Report and Statement of Accounts for the Northamptonshire Pension Fund and highlighted the key risks and areas of auditor focus, which were the valuation of Level 3 investments, management override of controls and triennial valuation.

Grant Thornton had adjusted its approach to materiality on Pension Fund audits since last year to be more risk focused. As such, investment related materiality was set at 1.5% of the estimated gross assets, which reflected the risks associated with asset valuations. A lower materiality had been set in respect of non-investment related transactions, at 10% of prior year gross expenditure, for a more focused approach. Grant Thornton identified one corrected misstatement during the audit.

There were 2 recommendations contained in the audit findings report which had both been actioned by the team.

The accounts had been reviewed and approved by the Pensions Committee and Audit and Governance Committee. The Northamptonshire County Council 2020/21 final accounts had now been signed off.

The Chair acknowledged that there had been a considerable amount of work that had gone into the audit.

RESOLVED: The Local Pension Board noted the contents of the report.

120. **Administration Report**

Consideration was given to a report which provided an overview of the administrative activities of the Northamptonshire Pensions Fund.

The Governance and Regulations Manager presented the report and drew the Committee's attention to the administration and customer journey key performance indicators (kpis). The target for processing the payments of benefits from active service was 5 working days and Officers had sought Committee approval in December to revise this to 10 working days to allow sufficient processing time. An analysis had been undertaken and if a correction was required and checked again in 5 days, this created pressure on the team. The average number of days for processing was 6.6 days during October 2023, therefore the target was only just being breached. Comparing against the industry standard and CIPFA benchmarking, the majority of pension funds had 15 days for the same target. The Operations Team had been restructured recently creating extra resilience. There had been some sickness in the team recently and the kpis would be reviewed in January.

The customer journey kpis were set out in the appendix, a review was being undertaken to identify failure points, there were multiple people involved the process with multiple trigger points. The detailed analysis was in the development stage and would be brought to a future meeting.

With regard to the overpayment invoice, this had been received and the benefits processed that day. It was noted that the issue that was referred to within the exempt appendix had now been resolved.

RESOLVED: The Local Pension Board noted the Northamptonshire Pensions Fund - Administration Performance Report.

121. **Business Plan Update**

The Head of Pensions provided an update on the Business Plan and the number of green targets related to procurement. The benefits consultancy had been concluded and a change from Aon to Hymans. There were 2 suppliers bidding for actuarial consultancy services and this was resource intensive, a soft market test had been undertaken initially. It was noted that the legal services competitive tender had also concluded.

The guaranteed minimum pension rectification was amber but was due to finish in March; resources had been redeployed as they were needed elsewhere but work could now recommence, and it was expected to be completed in the first quarter. The Government were late at issuing guidance on the McCloud Remedy and therefore this was amber. It was expected that two sweeps of the pension members records would need to be undertaken as the Fund would not yet know whether some members, with unaggregated public sector pension rights, were in scope. The undecided leavers activity was moving in the right direction but was expected to move slowly. Outsourcing was not a realistic option as many cases were complex and it was very expensive.

Following a review of the website, a new design had been created which was partly based on the gov.uk approach and user testing of the different options had begun. Julie Petrie advised that she had been involved in the testing and welcomed the new design.

RESOLVED: The Local Pension Board noted the Business Plan Update.

122. **Governance and Compliance Report**

The Governance and Regulations Manager introduced the report and provided an update on the Pension Dashboard. Information had been released nationally but the connection date was not being made to the public until the spring. The project plan had been prepared and paused last year. The workstreams would be reviewed to see how compliant the service was in line with the dashboard checklist; there were obviously a number of decisions that needed to be made regarding data protection, legality, AVC connections, data readiness and administrative maintenance. Updated progress against the checklist for the Northamptonshire Pension Fund would be presented to the Board in April 2024.

The McCloud remedy had been live since October and it was business as usual for new cases, with just a few manual interventions required. The service had met the necessary disclosure requirements in December.

The Department for Levelling Up, Housing and Communities (DLUHC) had circulated a draft prioritisation policy in October. The administration guidance had been published and Officers were undertaking checks and reviewing records. The General Code of Practice had been laid before parliament and there were 5 main areas with multiple modules within those. It was due to come into force on 27 March 2024. The

majority of the code was a consolidation of all the previous codes, so it was hoped that the service would therefore be compliant already.

The Chair reminded the members of the Board to ensure that they were up to date with their training on the mandatory modules.

Councillor Weatherill queried whether there were any concerns regarding risks. The Governance and Regulations Manager advised that a review of the service processes had been undertaken when the draft code had been published and would be working with the Funds governance advisors to check compliance against the final requirements. The Head of Pensions added that with regard to readiness for cyber security the fund was ahead of other funds.

RESOLVED: The Local Pension Board noted the Governance and Compliance Report.

123. **Administration Strategy**

The Head of Pensions reported that the Administration Strategy had been completely re-written and would be submitted to the Pensions Committee, after consideration by the Local Pension Board. It would also go out to consultation with stakeholders.

The Chair welcomed the refresh of the policy, considering it to be well-timed and asked that the members of the Board provide any comments on the policy by email.

Julie Petrie queried whether all employers were on iconnect and highlighted that there were issues with the administration for leavers on the system as it did not allow for future dates to be input.

RESOLVED: That the Pension Board review the draft administration strategy and provide any comments before final approval by the Pensions Committee.

124. **Northamptonshire Pension Fund Forward Agenda Plan**

The Governance and Regulations Manager drew Members' attention to the Pension Fund Forward Agenda Plan.

RESOLVED: The Local Pension Board noted the forward agenda plan.

125. **Exclusion of Press and Public**

RESOLVED: That Under Section 100A of the Local Government Act 1972, the Local Pension Board agreed that the public be excluded from the meeting for the following items of business on the grounds that if the public were present it would be likely that exempt information under Part 3 of Schedule 12A to the Act would be disclosed to them.

Local Pension Board - 25 January 2024

The meeting closed at 3.25 pm

Chair: _____

Date: _____