



Pensions Fund Committee

Minutes of a meeting of the Pensions Fund Committee held at Holding Room, The Guildhall, St Giles Street, Northampton, NN1 1DE on Monday 2 October 2023 at 4.00 pm.

Present:

Councillor Malcolm Longley (Chair)
Councillor Charles Morton (Vice-Chair)
Councillor Phil Bignell
Councillor Lloyd Bunday
Councillor Janice Duffy
Councillor Graham Lawman
Councillor Peter Matten
Paul Wheeler
Elnora Latchman

Apologies for Absence:

Councillor Jamie Lane
Robert Austin
Peter Borley-Cox

Officers:

Mark Whitby, Head of Pensions
Michelle Oakensen, Governance and Regulations Manager
James Smith, Assistant Director - Finance (Strategy)
Scott Peasland, Audit Manager
Anand Persaud, Principal Auditor
Jeverly Findlay, Committee Officer

168. **Declarations of Interest**

Councillor Graham Lawman declared an interest as his wife was a deferred member of the LGPS. Councillor Phil Bignell declared an interest that his wife was an active, member of the LGPS.

169. **Minutes**

RESOLVED:

That the minutes of the Investment sub-committee of 24 July 2023 be approved and signed as a correct record.

170. **Chair's Announcements**

There were none.

171. **Internal Audit Report**

The Audit Manager presented the Annual Audit of the Northamptonshire Pension Fund for 2022/23. A substantial opinion assurance was given in respect of the control environment in place and a substantial assurance opinion for compliance; there were no recommendations as a result. Following the audit undertaken in the previous year, and comments received from the Pensions Committees, the scope remained very similar but a more deep-dive review into the control environment was undertaken. In 2021/22 there had been 5 recommendations, 4 of which had been completed. The outstanding recommendation was with regard to annual reconciliation and was expected to be completed by the end of December. The Principal Auditor highlighted that the service had recently introduced improvements in the process and new workflows which was welcomed but it had resulted in the delay. The Head of Pensions added that the earliest that the reconciliation could be undertaken was in May after the financial year end; sometimes outstanding cases remained until December. The reconciliation needed to be undertaken before the next financial year end.

Further to an enquiry, the Head of Pensions noted that the risks regarding incorrect data would remain high as with over 300 employers providing data there was a chance that some of the data was poor quality. Employers were provided with training and control measures were in place.

The Committee congratulated the Pension team on the results of the audit.

RESOLVED: The Committee noted the contents of the report.

172. **Administration Performance Report**

The Governance and Regulations Manager presented the report and drew the Committee's attention to appendix 2 and the 2 red and 2 amber Key Performance Indicators (kpis); related to the payment of benefits for active and deferred Members. Two team leaders had been receiving training in preparation to replace leaver and maternity cover in August, the team itself was already contending with inexperience across all levels. The new team leaders seemed to be settling in to their new positions well. There had also been periods of annual leave, sickness and maternity leave. Following the release of Government Actuary Department factors a backlog had been created which had to be cleared. IN the longer term, Officers would be developed to become multi skilled to help with service resilience across teams.

The Administration Strategy would be submitted to the Committee in December for approval, and it would include a proposal to amend the turn around time for the retirement kpi to change from the current 5 days to a more achievable target.

RESOLVED: The Committee noted the contents of the report.

173. **Business Plan Update**

The Head of Pensions reported that the manual rectification of outstanding records for the Guaranteed Minimum Pension activity was on target for completion and was now at 25% and improving so this had changed to green. The service was ready for business as usual from 1 October with regard to the McCloud age discrimination remedy. The activity had moved to an amber rag status due to the delayed government consultation and accompanying response.

Processing of undecided leavers had changed to green from amber and 20% of the backlog had been processed. The development of the ACCESS pool was amber as the non-listed (property, infrastructure, private equity, private debt) programme had been paused. Once a new project plan was agreed this would turn to Green.

Following the guidance to improve pension schemes' equality, diversity and inclusion (EDI), the Board members had completed a survey and the next stage would be to produce an action plan for the fund to improve EDI outcomes. There was a cost to training but this was modest. The approach would be aligned with WNC's approach to EDI.

RESOLVED:

- (i) The Committee noted the Business Plan Update.
- (ii) The Committee approved the new Business Plan activities at 6.18 and 6.19.

174. **Governance and Compliance Report**

The Governance and Regulations Manager advised that the Pensions Dashboards revised staging timetable would be set out in guidance and all schemes in scope would need to connect by 31 October 2026. The staging timetable would indicate when schemes could connect. The regulator would determine a breach if the deadlines were not met. The decisions about connection could not be made until managers had considered the guidance. With regard to data matching there would be some flexibility with the criteria. For GDPR the focus would be on non-Members; contact would need to be made within 30 days and if they were only a partial match they would be deleted. The work on data improvement continued.

Updates to the McCloud remedy had been provided in the last 3 weeks and more regulations published; national working groups had been established. It was estimated that 15.2% of members were in the scope of the remedy, but further guidance was awaited. On 12 September AON had delivered training and the landing page on the website would be developed. In the short time frame provided this was considered to be positive. Technically the scheme was compliant, but rectification would be reviewed.

Further to an enquiry, the Governance and Regulations Manager advised that although the McCloud remedy could affect 15.2% of members, it would have to look at every trigger and the service was reliant on the development of software to review

retrospective cases. Procedures were in place already and the Head of Pensions added that the projected costs were small; although it would be a resource intensive process.

A working group had also been set up to consider the next steps with regard to the Gender Pensions Gap.

RESOLVED:

- (i) The Committee noted the Governance and Compliance Report.
- (ii) The Committee noted the immaterial amendments to be applied to the policies in section 6.12.2.

175. Employers Admissions and Cessations

The Head of Pensions advised that there had been three admitted bodies to the fund and six employers ceasing participation in the fund.

RESOLVED:

- (i) The Committee noted the admission of the following admitted bodies to the Northamptonshire Pension Fund and approve the sealing of the following admission agreements: Grange Transport Services, Dolce Limited (Little Harrowden Community Primary School) and Fresh Start Catering Limited (Innovate Multi Academy Trust).
- (ii) The Committee noted the exit of the following bodies from the Northamptonshire Pension Fund: Compass Contract Services Limited (Innovate Multi Academy Trust), Alliance in Partnership Limited (Magdalen College School), Caterlink UK Limited (Grange Primary Academy), Compass Contract Services Limited (Fairfields School), Champion School & Language College (Single Academy Trust) and Catch22 Multi Academy Trust.

176. Forward Agenda Plan

The Pension Services Financial Manager drew Members' attention to the Pension Fund Forward Agenda Plan.

RESOLVED: That the Northamptonshire Pension Fund Forward Agenda Plan be noted.

177. Exclusion of Press and Public

The Chair moved that the remainder of the meeting be held in private:

That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item(s) of business on

the grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, Paragraph(s) 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The meeting closed at 5.15 pm

Chair: _____

Date: _____