



## **Pensions Fund Committee**

Minutes of a meeting of the Pensions Fund Committee held at The Jeffrey Room, The Guildhall, Northampton, NN1 1DE on Wednesday 30 March 2022 at 4.00 pm.

### **Present:**

Councillor Malcolm Longley (Chair)  
Councillor Phil Bignell  
Councillor Lloyd Bunday  
Councillor Paul Joyce  
Councillor Jamie Lane  
Councillor Graham Lawman  
Councillor Cathrine Russell

### **Also Present:**

Stephen Scott, Hymans Robertson

### **Apologies for Absence:**

Councillor Charles Morton  
Councillor Peter Matten

### **Officers:**

Mark Whitby, Heads of Pensions  
Cory Blose, Employer Services and Systems Manager  
Michelle Oakensen, Governance Officer  
Maisie McInnes, Democratic Services Officer

## **56. Declarations of Interest**

Peter Borley-Cox and Rob Austin declared disclosable pecuniary interests as members of LGPS. Councillor Lloyd Bunday disclosed a personal interest as he and his wife are deferred members of LGPS. John Wignall declared a personal interest as a retired member of LGPS. Councillors Phil Bignell and Graham Lawman disclosed personal interests as their wives are deferred members of LGPS.

## **57. Minutes**

The minutes of the previous meeting held on 15 December 2021 were agreed and signed as a true and accurate record of the meeting.

## **58. Chair's Announcements**

The Chair welcomed everyone to the meeting and invited the Head of Pensions to deliver a statement on the situation in Russia and Ukraine and the impact of the war on the pension fund.

The Head of Pensions empathised that the situation was ultimately a humanitarian crisis, and it was useful for the Pensions Committee to understand the position of the fund and the impact caused. He assured members that there was a small amount of investment held in Russian stocks, equating to under £1m of investment and 0.02% of fund invested in passive funds. He explained that the stock market was currently closed to foreign investors, and the fund were unable to dispose of funds.

In terms of the ACCESS pool, any assets directly invested in Russia were held at nil value and as soon as these could be sold the ACCESS fund would seek to do so in an orderly manner, and limits had been placed on the pool so that no new investments could be made. In terms of fund implications, he explained that this would be picked up later in the meeting by Stephen Scott of Hymans Robertson in the Valuation Update. The Head of Pensions shared that the fund was in a better position a few days after the invasion of Ukraine, than in December so performance of the fund was doing well despite the crisis. The fund was closely monitoring the impact of cyber security risk and had contact with providers regarding security.

59. **Action Log**

The Chair asked members to note the action log.

**RESOLVED: That the Pension Committee noted the action log.**

60. **Administration Report**

At the Chair's invitation, the Governance Officer presented the Administration Report and highlighted the salient points from section 5 of the report:

- In terms of KPIs for the period 1 October to 31 January, the Governance Officer reported that over the period all targets had been met and the KPIs could be found detailed at Appendix A of the report.
- Over the period all scheme employers had made payments on time in October, November, and December 2021. Overall, there was good performance with 99.9% of employers completing the pay-over by the due dates in the last 12 months and 99.6% submitting their payment schedules on time.
- The Governance Officer highlighted one Internal Dispute Resolution Procedure case that was resolved during the period and both stage 1 and stage 2 of the process were not upheld. As detailed in section 5.4 of the report, the nature of the dispute related to an incorrect estimate of retirement benefits being provided.

The Governance Officer concluded the report and invited members to ask any questions.

Members discussed the report and asked why the percentage of employers paying contributions on time as detailed in Appendix B was not 100% if payment was taken directly from wages. The Governance Officer confirmed that payroll had a separate process to submit payments and their schedule and have a statutory deadline of the 19<sup>th</sup> of the following month to submit this to the Pension fund.

61. **Business Plan Update Report**

At the Chair's invitation, the Head of Pensions presented the report and explained the report demonstrated the Northampton Pension Fund's financial end of year position. The Head of Pensions continued that there were a couple of completed procurement activities in the year, the retender for strategic investment advisory services and the retender for global custody services.

As part of the new business plan, work would continue to align members to West Northamptonshire Council as the administering authority for the Northamptonshire Pension Fund. The Head of Pensions explained the report requested the approval of two contracts, the benefits and governance contract by 6 months as detailed in section 4.3.3 of the report and the extension of the specialist legal services contract by 12 months as detailed in 5.1.3. He explained the Pension Fund were happy with their suppliers and were looking to manage their procurement over a couple of years.

The Head of Pensions shared that the Fund were not considering obtaining the Pensions Administration Standards Association (PASA) accreditation at this time due to other commitments as the Fund would not be able to accommodate this along with managing the workload of the other activities, they would be undertaking for 2022/2023. The Fund had recently undertaken a customer service excellent accreditation, and this had helped customer journeys as customer satisfaction ratings received from the surveys sent to members were averaging 4.3 out of 5, which was a significant improvement from a rating of 3.1 a year ago. The Head of Pensions explained he proposed that the Fund did not need to undertake the accreditation at this time and would revisit in the future as significant improvements had already been made.

Members questioned how important the accreditation was to the fund and obtaining investments. The Head of Pensions responded that the accreditation demonstrated a standard and would take a considerable amount of work to achieve and he felt the Fund had already undertaken a considerable amount of work to achieve an excellent standard in customer service. In terms of investment, the Head of Pensions confirmed he had checked with the Executive Director of Finance and they did not believe it would have any affect.

The Head of Pensions continued his presentation and explained that the review of the Pension Regulator's Code of Practice had been rescheduled for 2022/2023 as it was expected to be released in November/December 2021 but the released had been delayed. The age remedy and rectification project activities would be continued in 2022/2023 and would be included in new business plan. As well as the valuation of the pension fund that would take place from April 2022 onwards. Other activities for the business plan included processing of undecided leaver records and reviewing the contract for specialist pensions legal services. The additional voluntary contribution (AVC) review had been completed by AON and the Head of Pensions flagged to the committee that missing AVC statements was a potential breach that could appear on the future breaches list.

The Head of Pensions reminded members of the recommendations as detailed in section 3 and concluded his report.

Members discussed the report.

**RESOLVED: That the Pension Committee:**

- 1) Noted the Business Plan Update to the end of the financial year.**
- 2) Approved the extension of the benefits and governance contract by a period of 6 months (4.3.3).**
- 3) Approved the extension of the specialist legal services contract by a period of 12 months (5.1.3).**

62. **Business Plan and Medium Term Strategy 2022/23**

The Head of Pensions introduced the report and explained that the previous agenda item had explained much of the report, and there were a few points to note. The format of the Business Plan and Medium Next Term Strategy for 2022/23 had changed to make it more accessible. The Head of Pensions referred to page 5 of the report, which demonstrated the updated structure of the Pensions Service. He shared that previously there were six managers reporting into the Head of Pensions, but now that the current Investments Manager was retiring, there would be five as the new Investments and Accounting Manager, Ben Barlow, would take responsibility for the two areas going forward. In terms of structure, the only other change was the creation of a Systems Project Manager role to manage projects coming downstream. There were now 80 full time staff across the Pensions Service, compared to the previous 82 members of staff.

The Head of Pensions continued the report and explained the budget and expenses were detailed on pages 10 and 11. He shared that there was a significant jump from 2021/22 to 2022/23 to fund the actuary in the valuation year, as well as the County Council Overhead Recovery payment. There was also a new expense in 2022/23 as there was a new administrative ERP system.

Members discussed the report.

**RESOLVED:** That the Pension Committee approved the contents of the Business Plan and Medium-Term Strategy 2022/23.

63. **Governance and Compliance Report**

At the Chair's invitation, the Governance Officer presented the report and highlighted the key updates since the last meeting. As detailed in section 5.3.2 of the report, it was now agreed that Local Pension Boards will be able to send 2 observers on a rotational basis to take part in ACCESS meetings from 7 March 2022. This would take place for 12 months and would then be reviewed by ACCESS. There would be an inter-authority agreement in place, and the Pensions Service would update their statement and the Council's constitution accordingly to reflect the changes and go through the appropriate channels to work out the logistics of how the Fund make representations and handle the process internally. The other important point to note was the current vacancies on the Pensions Committee and the Local Pension Board

as explained in section 5.6 of the report. The Governance Officer explained that in July 2021 the Pensions Service appointed one of the employer vacancy roles, but this was not successful and subsequently ran another recruitment exercise in February 2022 which was unsuccessful. The Pensions Service would rerun the recruitment process in May 2022 and would contact scheme employers and highlight the importance of representation at meetings. In terms of the vacancy on the Local Pension Board, the Pensions Service had been working with the Monitoring Officers from North Northamptonshire Council and West Northamptonshire Council as there was one appointment to make to have full representation on the Local Pension Board.

The Governance Officer reminded members to complete the training core modules and insisted that if any members were interested in further training opportunities, then they should make contact outside of the meeting to arrange.

Members discussed the report.

**RESOLVED:** That members noted the contents of the Governance and Compliance report.

64. **Anti-Fraud and Corruption Policy**

The Governance Officer presented the report and explained that the policy was a revised version of the initial policy created in October 2017. This was the second review of the policy and under section 5 of the report detailed the proposed changes. Second review and under section 5 details some of the changes proposed. The Governance officer explained that Section 6 of the policy had been widened to include officers and that most of the key detail attaining to the prevention and detection of fraud was explained in the table in Section 10 and in Section 10.2. The table in Section 10.2 had been split into two categories, listing the triggers and details of what the trigger consists of, as it was felt there were certain things to prevent and certain things which acted as a trigger. The policy had also been updated to reflect general wording changes to make sure the policy was up to date and reflected internal policy.

The Governance Officer reported that the only other change was the process change in the table relating to evidence that the scheme member no longer resided at the address, to reflect experience in this area and activity instigated for scheme members due to retire. The Governance Officer explained the previous exercise was unmanageable so a targeted approach would improve efficiency.

**RESOLVED:** That the Pensions Committee approved the revised Anti-Fraud and Corruption policy.

65. **Communications Plan**

At the Chair's invitation, the Employer Services and Systems Manager introduced the report and explained that the table in Appendix A detailed the Pension Service's Communications Plan for 2022/23, which would include a range of stakeholders. He explained that a lot of the work was being undertaken to help launch the new website

and the Fund would be consulting with scheme employers and members at various stages throughout the process to get feedback. The work would be started in April and the next stage of the website review would take place in June. The current website had been in place for the last 5/6 years and work was needed to ensure the website was up to date. Through the Fund's hosted software provider for members Haywood, members can receive information and log into their account. When the system is updated, the main administration will be taken down too, so could lose 2 weeks where the Pensions Service will be unable to update. The Pension Fund will be following advice from the digital team on how to manage the process going forward.

The Employer Services and Systems Manager explained that the Members Survey was a monthly occurrence, and was a simple, 2 question survey that engaged with members who had recently interacted with the Pensions service to capture feedback on member experience. The Employer Services and Systems Manager shared that feedback received had been extremely positive in recent months and would continue to be rolled out monthly as part of the Communications Plan for 2022/23.

Members discussed the report.

**RESOLVED:** That the Pensions Committee approved the Communications Plan.

## 66. **Employers Admissions and Cessations Report**

The Employer Services and Systems Manager presented the standing report and summarised the updates since the previous Pension Committee. He explained that there were two admitting bodies, Maid Marion's Limited and Compass Contract Services and the designating body Corby Town Council, as a result of the local government reorganisation. One of the admissions had to be backdated to 2016 as detailed in the report. There were listed cessations in section 5.3 of the report and there were no exit payments or exit credits to pay out.

The Employer Services and Systems Manager concluded his report and invited members to ask any questions.

**RESOLVED:** That the Pension Committee:

- a) Noted the admission of the following admitted bodies to the Northamptonshire Pension Fund and approved the sealing of the admission agreements:
  - Maid Marion's Limited
  - Compass Contract Services
- b) Noted the admission of the following designating body to Northamptonshire Pension Fund:
  - Corby Town Council
- c) Noted the exit of the following bodies from the Northamptonshire Pension Fund:
  - Change-Grow-Live
  - Compass Contract Services
  - The Coombs Catering

67. **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.**

**RESOLVED: Members agreed that the public and press were excluded from the remainder of the meeting and the Pensions Committee moved into private session.**

The meeting closed at 5.54 pm

Chair: \_\_\_\_\_

Date: \_\_\_\_\_