

Minutes of a meeting of the Local Pension Board held virtually on <https://www.youtube.com/channel/UCujrRO-y6RzkN6zPQ-xNAAtA> on Thursday 1 July 2021 at 10.00 am.

Present Councillor Ken Pritchard

Also Employees Side
Present: Kevin Standish-day

Apologies Joanne Walton - Governance & Regulations Manager.
for
Absence:

Officers Paul Hanson – Democratic Services Manager
Mark Whitby – Head of Pensions
Michelle Oakensen – Governance Officer
Cory Blose – Employer Services and Systems Team Manager

1. **Apologies for Absence**

Apologies were received from Joanne Walton, Governance & Regulations Manager.

2. **Appointment of Chair and Vice-chair for the year 2021/22**

The Democratic Services Manager explained that there were not enough members appointed to the Board for the meeting to be quorate. This had arisen due to the disaggregation of Northamptonshire County Council and the fact that some members of the Board had retired. Officers at North Northamptonshire Council had been contacted in order to propose a Councillor from that authority to sit on the Board but so far a nomination had not been provided. As the meeting was not quorate, the business on the agenda could be considered but no decisions made and these would be deferred to the next meeting. The appointment of the Chair and Vice Chair would therefore be deferred.

Michelle Oakensen advised that the deadline for the recruitment for the two other seats on the Board was the following day and the responses so far had been encouraging. It was expected that at the next meeting due to be held in November there would be full membership.

RESOLVED: That the appointment of the Chair and Vice-chair be deferred to the meeting due to be held on 4th November 2021.

3. **Declarations of Interest**

No interests were declared.

4. **Minutes**

RESOLVED: That the Local Pension Board approved the minutes of the meeting held on 11th March 2021.

5. **Action Log**

The Governance Officer, Michelle Oakensen advised that there were no actions to note in the action log (copies of which had been previously circulated).

RESOLVED: That the Local Pension Board noted the action log.

6. **Pension Fund Annual Business Plan and Medium-Term Strategy**

The Head of Pensions, Mark Whitby, introduced the report (copies of which had been previously circulated).

The Board were informed that the Northamptonshire Pension Fund Annual Business Plan and Medium-Term Strategy had been approved by the Pension Committee in March 2021. The plan outlined the structure of the operation which was administered for Cambridgeshire and Northamptonshire under a shared service arrangement and employed 70-80 staff. The report set out the valuation of the fund and the investment total which was around £3 billion. The plan outlined the key challenges and influences for the fund over the next 3 years. The management expenses were around £3-4 million, a significant amount of this was spent on consultancy fees and legal advice. By the end of the year the predictions for the contributions cash flows are generally quite accurate, however the investment income was difficult to predict due to the changes in the capital value of assets. The Actuary calculated the expected average investment growth figure.

Further to an enquiry from Kevin Standish-Day, Mark Whitby advised that the accounts were in the process of being closed down so a forecast amount had to be included until they had been audited. For future years an estimate was provided.

Councillor Ken Pritchard queried the variance in the forecast and the actual figures for 2021. Mark Whitby explained that this was due to profit and loss and as the growth of the fund had been 40-50% higher than expected. The forecast for the following year reverted to the long term forecast, before the return of income from the investments. The final figures would be submitted to the Pension Committee in July. Page 31 of the Plan provided an analysis of each activity. Preparation work was being undertaken following the expected changes to legislation as a result of the age discrimination remedy. Assets were pooled in order to gain economies of scale in the ACCESS pool. A Joint Committee with representation from each Fund had been formed to oversee the governance of the pool.

With regard to the changes brought about from the local government reorganisation, Mark Whitby advised that the form of the committees had been retained but the membership adjusted for the 2 authorities. A great deal of work had been undertaken

in relation to the governance arrangements and there would be a considerable amount of work involved in moving all the data relating to employees from the sovereign councils to their new employers.

Kevin Standish-Day enquired about the review of the responsible investment policy; Mark Whitby advised that the draft had been submitted to the last Pension Committee and it had been sent out for consultation. Around 30,000 emails being sent and approximately 150 responses received, which was remarkably high for such a consultation. The majority of respondents had agreed rather than disagreed to the principles within the review, the policy would be submitted to the Pension Committee for approval in due course.

Mark Whitby reported that he was the Chair of a task and finish group regarding the guidelines for the asset pool. The Local Pension Board and Pension Committee would be informed of the feedback from this group. Kevin Standish-Day queried what the investments were within the asset pool. Mark Whitby explained that this information was submitted to the Pension Committee as a confidential report and only identified as a line item; however he would consider the suggestion. Mark Whitby advised that it was important for Members of the Pension Committee to receive training regarding the decisions that will need to be taken. The Actuary would be in attendance at the Pension Committee and Officers would make recommendations as to what investments should be selected. Members of the Board were welcome to attend Pension Committee meetings to listen to information being provided by external advisors as they deemed appropriate.

Further to an enquiry from Councillor Ken Pritchard, Mark Whitby explained that voluntary contributions were being kept under review as the main provider, Prudential, had experienced some performance issues recently.

It was noted that the Business Plan was reviewed constantly and progress was delivered to the Committee and Board every quarter.

RESOLVED: That the Pension Board noted the Pension Fund Annual Business Plan and Medium-Term Strategy.

7. Northamptonshire Pension Fund - Administration Performance Report

Consideration was given to a report which provided an overview of the administrative activities (copies of which had been previously circulated). Michelle Oakensen drew the Board's attention to the table set out in section 5 of the report relating to material and non-material breaches of law. There was one on-going nonmaterial breach regarding the payment of refunds outside of a 5 year period, a change in regulations was likely to be made to resolve this issue. The Board were advised that they would be contacted outside of the meeting if there was a significant material breach which needed reporting to the Pensions Regulator.

Referring next to the Key Performance Indicators, it was noted that there were 3 reds and 7 ambers in the RAG status. The Local Pension Board members role is to keep an eye on the performance. One hundred percent of the contributions from employers of the scheme had been received in March and April; employers must pay

on time and persistent non-payers could be reported to the regulator as a statutory breach. Terminating an employer's participation in the scheme would be a last resort and a number of steps would have to be undertaken prior. Scheduled bodies could be sanctioned but could not be removed from the Fund. Organisations in the public sector and charities could join the scheme under an appropriate Admission Agreement. Cory Blose advised that the majority of payments were received electronically and automatically and employers rarely had to be chased for payments.

Cory Blose confirmed that the Compass Contract Services Limited contract with the David Ross Education Trust had ceased to exist but not the trust itself.

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

8. Northamptonshire Pension Fund Risk Register

Consideration was given to the Northamptonshire Pension Fund Risk Register (previously circulated) and Michelle Oakensen, the Governance Officer, advised that this was submitted for consideration by the Local Pension Board at every meeting. Referring to section 5 of the report, the mitigation for risk 3 had been strengthened and the chair of the task and finish group was considering the ESG requirements. A new risk 7 had been identified following the work on cyber security, resilience and protections. This had previously been included with risk 16 but due to the increased focus on cyber security it was now identified as a separate risk. Risk 9 referred to the increased focus required on CIPFA skills and knowledge for Members and the training that they were required to attend. Training had taken place on 21st June and additional training dates had been circulated to all committee and board members. Risks 13 and 14 had been amended to include extra mitigation. Section 5.2 identified short to medium term risks which did not need to be added to the register but were issues to consider.

Councillor Ken Pritchard, queried when the risk register would be revised again. Michelle Oakensen advised that a full review was due to be undertaken in the near future.

Mark Whitby added that a temporary review of had been undertaken of the Business Continuity Plan before the pandemic and consideration would be given as to how it would fit into the new West Northants Council structure. The risk strategy was unlikely to change as the concept remained the same but was due for review in 2022.

RESOLVED: That the Local Pension Board reviewed the current risks facing the Fund.

9. Governance and Compliance Report

Michelle Oakensen, the Governance Officer introduced the report (copies of which had been previously circulated) and highlighted that the Good Governance Review action plan was currently being considered by the Local Government minister. There had been no further developments regarding the code of practice with the pensions regulator. It was due to come into force in November and the feedback from the

consultation was still awaited. The service would have six months to ensure compliance with the code and would only need to make a small changes to their practices.

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

10. **2021/2022 Northamptonshire Pension Fund Communications Plan**

Cory Blose, Employer Services and Systems Team Manager, introduced the report (copies of which had been previously circulated) and advised that the Communications Plan had been approved by the Pension Committee and was for noting by the Board. The greatest communication activity had been with regard to the local government reorganisation. It was noted that follow up sessions would be provided to both local authorities following requests from the unions.

Mark Whitby highlighted that consideration would need to be given to future consultations with members of the scheme due to the risk of fraudulent texts being sent by scammers. The Communications Officer was reviewing the systems used. Kevin Standish-Day suggested that he could send information to unison members via his blog.

Mark Whitby reported that the pension helpdesk would be re-opening the following week. It had been shut during the pandemic due to remote working with an answerphone system in place instead.

RESOLVED:

- (i) **That the Local Pension Board noted the 2021/2022 Northamptonshire Pension Fund Communications Plan.**
- (ii) **That Cory Blose and Kevin Standish-Day discuss the potential inclusion of pension communications in the unison blog.**

11. **Northamptonshire Pension Fund - Draft Cyber Strategy**

Exclusion of Press and Public

12. **Northamptonshire Pension Board Agenda Plan**

RESOLVED: That the Local Pension Board noted the Northamptonshire Pension Board Agenda Plan.

13. **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.

The meeting closed at 11.25 am

Chair: _____

Date: _____