



**West
Northamptonshire
Council**

Local Pension Board

Minutes of a meeting of the Local Pension Board held on <https://www.youtube.com/channel/UCujrRO-y6RzkN6zPQ-xNAtA> on Thursday 28 April 2022 at 10.00 am.

Present Councillor Andrew Weatherill
 Alicia Bruce
 Julie Petrie
 Katy Downes
 Kevin Standish-Day

Apologies Councillor Ken Pritchard
for
Absence:

Officers Paul Hanson, Democratic Services Manager
 Mark Whitby, Head of Pensions
 Michelle Oakensen, Governance Officer
 Jeverly Findlay, Committee Officer

38. Appointment of Chair and Vice-chair

It was proposed by Julie Petrie that Alicia Bruce be appointed Chair and this was seconded by Katy Downes on being put to the meeting the proposition was declared carried. It was proposed by Councillor Weatherill that Julie Petrie be appointed Vice-chair, this was seconded by Katy Downes and on being put to the meeting declared carried.

RESOLVED:

- (i) That Alicia Bruce be appointed the Chair of the Local Pension Board.**
- (ii) That Julie Petrie be appointed Vice-chair of the Local Pension Board.**

39. Declarations of Interest

No interests were declared.

40. Minutes

RESOLVED: The Local Pension Board approved the minutes of the meeting held on 27th January 2022.

41. Action Log

Members of the Board were asked to note the Action Log (copies of which had been previously circulated). The Chair suggested that the third item on the log could be closed down. This was agreed.

RESOLVED:

- (i) That the Local Pension Board note the action log.**
- (ii) That the third item on the log be closed down.**

42. **Northamptonshire Pension Fund - Administration Report** Consideration was given to a report which provided an overview of the administrative activities of the Northamptonshire Pensions Fund (copies of which had been previously circulated).

The Governance Officer drew the Board's attention to section 5 of the report and the key performance indicators. The service performance had been consistently good, with the exception of 2 indicators which were amber.

It was highlighted that 100% of contributions from employers of the scheme had been received on time in December, January and February. Only 1 breach of the law which was deemed as material had occurred, when Prudential had failed to provide annual benefit statements by the statutory deadline of 31 March 2022. This breach had been reported to the Pensions Regulator. The Prudential statements had been sent out on 21st April but could take ten days to arrive.

At the beginning of April a data breach had occurred when some letters had been inadvertently printed double sided. The mail out had been to 157 members of the scheme. The matter had been identified quickly and a letter of apology had been sent. The member of staff involved had received additional training and additional safeguards had been introduced. Further to an enquiry, it was highlighted that it had been a low level breach and as such it was not a requirement that it be reported to the Information Commissioner's Office. One Internal Dispute Resolution Procedure case had been raised in the last quarter but this had not been upheld by the Monitoring Officer.

Kev Standish-Day enquired whether the Pension Service currently had sufficient staffing resource, as a member of the scheme had requested their pension in January and had only recently been contacted. The Head of Pensions advised that generally delays in communications were because of employers not completing the forms required. That being said an extra member of staff would be appointed in the retirements team to provide resilience in the future. Kev Standish-Day acknowledged that it was a single complaint.

RESOLVED: That the Pension Board note the Northamptonshire Pensions Fund - Administration Performance Report.

43. **Governance and Compliance Report**

The Governance Officer introduced the report (copies of which had been previously circulated) and drew attention to section 5 of the report. At the Joint Committee meeting of the ACCESS asset pool on the 7th March it had been agreed that 2

observers would attend the Joint Committee on a rotational basis. This was open to members of the Local Pension Board. The Inter Authority Agreement was being reviewed in order to reflect the change and the Constitution would be amended. Councillor Andrew Weatherill questioned why the observer could not be a Councillor. The Head of Pensions explained that the decision was to allow two observers from each Fund, at least one of which should be a scheme member representative. Councillor members of the administering authority already have an automatic right to attend ACCESS Joint Committee meetings. Kev Standish-Day highlighted that the unions continued to press for voting rights and advised that he would be happy to attend as an observer. The Head of Pensions advised that the request could be made in writing if the Pension Committee and Local Pension Board were aligned in their thinking. The Chair suggested that once the date of the meeting was known a decision on who would attend could be made outside of the meeting.

The Governance Officer advised the consultation on the pension dashboard had closed in March. By the end of April 2024 it was proposed that all scheme members would be able to use the dashboard to access their pension details, however concerns had been raised by the Local Government Pensions Committee at achieving this deadline due to the complexities of the scheme and was awaiting a response

The vacancy on the Pensions Committee had not been filled, recruitment campaigns had taken place in August and again in February. All employers had been contacted to ask for nominees. The exercise was due to be undertaken again in May/June.

It was noted that only minor immaterial updates had been made to policies and they did not need to be considered by the Board.

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

44. **Pension Fund - Business Plan Update**

The Head of Pensions provided an update on the Pension Fund Business Plan and summary of activities. Mercer had been re-procured as the strategic investment consultant and Northern Trust reappointed custodians of Global Custody Services.

It was noted that the expected additional administrative load as a result of the Local Government Reorganisation had not materialised as the review of the services had been taking place gradually.

It had been decided not to pursue the Pension Administration Standards Association (PASA) accreditation at this time as there were a number of projects that took precedence over this for a number of years. This had been agreed by the Pension Committee.

With regard to the McCloud age discrimination remedy, employers had been provided with extra time in which to provide the information required as the Government had pushed back the deadline.

The progress with regard to the backlog of undecided leavers was disappointing and additional resources had been allocated to the team.

A significant amount of work was being undertaken reviewing the Fund's Responsible Investment Policy and the carbon action plan. The property investment strategy review had been delayed in agreement with the Chair of the Pensions Committee in order that progress could be made on the carbon action plan and responsible investment plan.

Councillor Weatherill enquired as to whether the service had sufficient resources to deal with the significant amount of activity. In response, the Head of Pensions advised that the McCloud age discrimination remedy would be a large exercise and a system led solution was being developed. An increase in resources may be required if the numbers of cases requiring manual interventions were high. However, the overall level of project activity was typical for a pension fund.

Councillor Weatherill enquired as to the stewardship and voting rights of the responsible investment policy. The Head of Pensions advised that all active equities were managed through the pool. The voting policy was also at the pool level. Fund officers were looking to introduce a stewardship report and would be signing up to the UK Stewardship Code. LAPFF collaboratively engaged with companies on behalf of the pension fund.

The Head of Pensions, referring to appendix B of the report, highlighted that there was a minor variance of £4,000 for the £2.2 million cost of Fund administration. There had been an underspend on staff and an overspend on technology which had been purchased to assist with reporting. Page 57 set out the profits and losses made on investments.

The Chair concluded that the fund was well managed and considered that the team were doing a great job considering the complexity of the scheme.

RESOLVED: That the Local Pension Board note the Business Plan Update to the end of the financial year.

45. Pension Fund - Business Plan and Medium Term Strategy Update

The Head of Pensions provided an update on the Pension Fund Business Plan.

The Board's attention was drawn to page 75 of the report and the change to the business plan format. The governance expenses were due to increase in 2022/23 but then would reduce in 2023/24 due to the impact of the triennial valuation. Actuary costs were cyclical and peaked every 3 years.

Further to an enquiry with regard to the impact of covid on the valuations, the Head of Pensions advised that the investment and future growth predications were in the expected range of volatility. Climate transition was a larger issue, working to find sustainable assets to invest in that provided good returns. Allowances would be made in longevity assumptions for the unusual previous two years.

It was hoped that there would be a reduction in the unprocessed leavers; delays occurred as information was awaited from third parties and consideration was being given as to how this could be made more efficient. It was a common problem for pension funds and at the end of school term there were usually 1500 cases per month. The situation had improved and the processes were being refined. An escalation process was in place for employers.

Councillor Andrew Weatherill queried how the pension fund compared against other funds in terms of efficiency and management expenses. The Head of Pensions advised that CIPFA benchmarking took place with regard to the administration of the fund. The Northamptonshire Pension fund was around the middle of the table. Analysis of the management expenses would be contained in the annual report and the fee analysis report from Mercer would be submitted to the Pensions committee in July. It was noted millions of pounds had been saved by joining the asset pool.

Further to an enquiry with regard to the overhead recovery, the Head of Pensions advised that the overheads had historically been much higher. When the West Northants Council was established, there had not been an opportunity for a line by line reassessment, but this was likely to take place in time for the 2023/24 business plan.

RESOLVED: That the Local Pension Board note the contents of the Business Plan and Medium Term Strategy 2022/23 approved by the Committee in March 2022.

46. **Forward Agenda Plan**

The Governance Officer advised that the agenda plan provided the schedule for the year but it may be amended, depending on external influences.

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

47. **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 12.00 pm

Chair: _____

Date: _____