



**West
Northamptonshire
Council**

Local Pension Board

Minutes of a meeting of the Local Pension Board held at <https://www.youtube.com/channel/UCujrRO-y6RzkN6zPQ-xNAtA> on Thursday 3 November 2022 at 10.00 am.

Present Councillor Ken Pritchard
 Councillor Andrew Weatherill
 Alicia Bruce
 Julie Petrie
 Kevin Standish-Day

Apologies for
Absence: Katy Downes, who could not attend due to a technical issue.

Officers Mark Whitby, Head of Pensions
 Cory Blose, Employer Services and Communications Manager
 Paul Hanson, Democratic Services Manager
 Michelle Oakensen, Governance and Regulations Manager
 Scott Peasland, Audit Manager
 Jeverly Findlay, Committee Officer

61. **Declarations of Interest**

No interests were declared.

62. **Minutes**

RESOLVED: The Local Pension Board approved the minutes of the meeting held on 30 June 2022.

63. **Action Log**

Members of the Board were asked to note the Action Log (copies of which had been previously circulated).

RESOLVED: The Local Pension Board noted the action log.

64. **Internal Audit Report**

The Audit Manager presented the report and advised that the audit had assessed the adequacy of design and implementation of controls for the administration of the pension fund. Audit had given a substantial opinion assurance to the control environment in place and a satisfactory assurance opinion for compliance. In carrying

out the audit an assessment had been made of the performance on the key performance indicators, the monitoring and reporting of risks. Seven recommendations had been made to ensure compliance and these were set out in section 3.4 of the main report. One recommendation related to the key performance indicators and two recommendations were made regarding reporting of breaches. The actions had been agreed with management and were detailed in the Management Action Plan. The report had been presented to the Pensions Committee who were satisfied that the service was in a positive position going forward.

Further to an enquiry from Councillor Andrew Weatherill regarding the links to the strategic risks and assurance mapping, the Audit Manager advised that the management was undertaken by West Northants Council as clients of the scheme. The Audit team had reviewed the scope of previous audits and the terms of reference had been agreed with the Head of Pensions. Consideration was being given as to how the audit could be more risk based in the future. The Chair considered that an audit should be undertaken on the risk register. It was noted that both Chief Financial Officers signed off on both the funds and the aim was to carry out one audit in the future.

Councillor Andrew Weatherill questioned the effectiveness of the assurance, as the focus of the audit had been on administration and suggested additional expertise may be required. Councillor Weatherill also queried how long the audit had taken. The Audit Manager undertook to provide an answer outside of the meeting.

RESOLVED:

- (i) **The Pension Board noted the findings from Internal Audit work during 2021-22.**
- (ii) **That the Head of Pensions, the Audit Manager and the Section 151 Officers review the risk register and the actions taken to mitigate those risks.**

65. Northamptonshire Pension Fund - Administration Report

Consideration was given to a report which provided an overview of the administrative activities of the Northamptonshire Pensions Fund. It was highlighted that 100% of contributions from employers of the scheme had been received on time. The fund had been stable for the last 12 months.

A non-material breach had occurred as the annual allowance pension savings statements had not been issued by the statutory deadline of 6 October, they were however sent by 24 October.

It was noted that there was one Internal Dispute Resolution Procedure which had partially been upheld, due to the fact that Member Self Service (MSS) had allowed converted benefits options to be quoted for a pension credit member which is not permitted under the regulations. Although there was wording to this effect it was deemed appropriate to ensure additional wording was added and made more prominent.

The Governance and Regulations Manager advised that additional information on the key performance indicators was included in the appendices.

Councillor Weatherill noted the two non-material breaches for the annual pension allowance from a control perspective.

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

66. **Governance and Compliance Report**

The Governance and Regulations Manager introduced the report and provided an update on the Pension Dashboard Regulations which had been laid before parliament and would be discussed in the House of Lords on the 15 November. The Pensions Team had a draft project plan in place and data quality underpinned the plan.

The Department for Levelling Up, Housing and Communities had now launched their Taskforce on Climate related Financial Disclosures (TCFD) consultation and this would be running until 24 November and that the Northamptonshire Pension Fund would be submitting a response.

The Board were informed that the vacant position for 'other employers' representative' to the Pensions Committee had now been filled and therefore the next Pensions Committee would be fully represented.

With regard to the pension regulator code of practice no further information had been received.

Conflict of interest training had been arranged by Officers in conjunction with Aon and the Board were asked to attend if possible. A link would be sent out to those who could not attend. It was noted that a new core module online training system was being considered.

Further to an enquiry, the Head of Pensions advised that the increased in management costs included governance and investment costs; management fees were a percentage of the Assets Under Management. The AUM was subject to fluctuations.

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

67. **Business Plan Update Report**

The Head of Pensions highlighted the RAG status in the executive summary and that there were 5 ambers and 2 new activities.

Following the deterioration of the performance of Prudential, Aon had been commissioned to undertake a further review of both Standard Life and Prudential's administrative performance. The Pension Committee had approved the review at the meeting of 12 October 2022. Legal and General had recently started providing a

service for additional voluntary contributions (avc) and their performance would be monitored. The Chair welcomed another provider in the market which created competition.

The project team were processing the backlog of cases for the undecided leavers, some of the cases were now being processed in bulk which had dramatically increasing the speed of the process.

The Private Equity Review was a new activity for the team that would ensure the continued suitability of the portfolio, identify risks and opportunities that needed to be undertaken. Private equity was a complex issue and had links to the asset pool.

The variances from the forecasted investments and administration expenses were set out in appendix A of the report. The staff vacancies were expected to be filled during the next quarter. Some central costs had not yet been accounted for, such as the procurement of IT equipment, so this would create a variance.

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

68. **Northamptonshire Pension Board Forward Agenda Plan**

The Governance and Regulations Manager reported that some activities had been moved back such as the code of practice and the good governance action plan. Additional work was being undertaken on the key performance indicators. The administration strategy had been put back to April. The results would flow through the administration strategy.

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

69. **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.

70. **Urgent Business**

RESOLVED: That the January meeting be moved to 24 January 2023.

The meeting closed at 11.45 am

Chair: _____

Date: _____

