



Local Pension Board

Minutes of a meeting of the Local Pension Board held at The Jeffrey Room, The Guildhall, Northampton on Thursday 27 April 2023 at 2.00 pm.

Present:

Alicia Bruce (Chair)

Councillor Andrew Weatherill

Katy Downes

Kevin Standishday

Apologies for Absence:

Julie Petrie

Councillor Ken Pritchard

Officers:

Cory Blose, Employer Services and Communications Manager

Mark Whitby, Head of Pensions

Michelle Oakensen, Governance and Regulations Manager

Jeverly Findlay, Committee Officer

84. **Appointment of Chair and Vice Chair**

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

85. **Declarations of Interest**

No interests were declared.

86. **Minutes**

RESOLVED: The Local Pension Board approved the minutes of the meeting held on 24 January 2023.

87. **Action Log**

Members of the Board were asked to note the Action Log (copies of which had been previously circulated). It was noted that all actions had been closed.

RESOLVED: The Local Pension Board noted the action log.

88. **Northamptonshire Pension Fund - Administration Report**

Consideration was given to a report which provided an overview of the administrative activities of the Northamptonshire Pensions Fund.

The Governance and Regulations Manager highlighted that the majority of key performance indicators (KPIs) had been met in the last quarter, with the exception of 4, which were set out in Appendix A. There was a red flag for the payment of retirement benefits from active employment and the targets had been missed for January and March. This was due to inexperience within the team and because additional training was required. This would be resolved as the new members become more experienced. In addition, there was one member of the team off on long term sick. It was noted that there was an error in the estimate section with regard to the February target which should say 87%. Following a comprehensive review of the current KPIs, supplementary indicators were being introduced to measure the member's overall customer journey. These KPIs had been agreed by the Pension Committee in March 2023, and would be developed over the next twelve months. Referring to appendix B; 100% of contributions had been received on time which was very positive.

The Governance and Regulations Manager highlighted that non-material breach of the law, which had occurred as 197 letters due to be sent out in January were issued in early February. This had occurred result of a change in reporting method and an upgraded report was now being utilised. These letters were required to be sent out within 2 months after an employee left. There was one data error regarding a date or birth, which led to an unauthorised payment as the member was over age 75, this was an isolated incident and had been rectified.

Further to an enquiry, the Governance and Regulations Manager advised that members of the scheme under the regulations need to retire by 75 and after this age they would have to self declare any tax to HMRC. There was a control in the system to ensure that Members were contacted as they approached their 75th year.

Councillor Weatherill, referring to appendix C, welcomed the positive figures but noted that there had been a late submission. The Governance and Regulations Manager advised that this was an isolated incident, the service had a good relationship with employers with established processes in place with most issues being resolved quickly. An escalation process was in place if required.

With regard to the Internal Dispute Resolution Procedure cases, one complex case had been extended to 18 May by the Monitoring Officer.

In April 2023, an analysis of the Fund's common data was undertaken which provided a score of 93.9%, the Pensions Regulator looked for a score of 95%. The approach to increasing the Fund's score was detailed in the Data Improvement Plan in appendix D. Three areas of improvement had been identified: national insurance number, date of birth, addresses incorrect data occurred as some deferred members moved house frequently before their benefit is due. The Pensions Regulator had not issued standard guidance as to how to report or how to capture data and therefore it was difficult to directly compare performance with other pensions services. The Pensions Regulator had been asked to provide guidance. The Head of Pensions advised that other Funds had a similar score. All addresses needed to be screened and moving to digital production would assist with this process.. The Governance and Regulations Manager highlighted that those coming up to retirement must be contacted as a priority. Kev Standishday suggested that a note be added to the Unison blog to remind people to check their addresses on the self service system.

The Governance and Regulations Manager reported that at there were 989 cases at the rectification stage of the GMP project. Unprocessed leaver records had been included in the Business Plan and the Data Improvement Plan accordingly.

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

89. **Governance and Compliance Report**

The Governance and Regulations Manager introduced the report and provided an update on the Pension Dashboard. The timescales for the delivery of the dashboard were being amended and the Department for Work and Pensions were working on a new programme. The Government Minister had committed to providing a timescale before the summer recess.

With regard to the impact of the McCloud remedy on the service, it was noted that a survey had been issued to employers querying if anyone was in scope. The Employer Services and Communications Manager advised that there could be some instructors who should be on the Teachers scheme or the LGPS and they may have to move schemes. Some teachers would be retrospectively eligible for the LGPS for the period from 1 April 2015 to 31 March 2022. The Head of Pensions advised that they would circulate further details before the next meeting as this issue had only arisen recently and it would create an additional data challenge. Data had been updated and a lot of work would be automated through the system. It was important to minimise manual intervention, the impact on an individual level would be small.

With regard to the CARE Revaluation Consultation, the Governance and Regulations Manager advised that regulations were now in force. The system requirements for the retrospective and future implementation were due in May.

Access was now available to the online training platform for all Members of the Committee. The next stage was to make contact with them all and then individual logins would be distributed.

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

90. **Northamptonshire Pension Fund Business Plan and Medium-Term Strategy**

The Head of Pensions provided an update on the fund and noted that there were 2 reds, one of which was to complete the Guaranteed Minimum Pension rectification and the other processing of undecided leaver records. It had been agreed with the Pensions Committee to reallocate undecided leavers and this had been extended to 6 months. The Government's Actuary Department had changed the discount rate and therefore the process of bulk transfers had been suspended which impacted on 'business as usual'; it was hoped that this would be resolved by the end of the month.

There were a number of procurements for the service in the next year, one of which was the software provider who would be the ISP for the dashboard. The marketplace was challenging as there was little competition. The Head of Pensions advised that there were different leads for each procurement so there was capacity within the team to deal with them.

The latest available variances against the forecast of investments and administration expenses for the 2022/23 were in appendix C of the report and the final would be provided to the next meeting. A revised climate action plan had been included at appendix D. In the next 3 months £6-700 million would be moved from existing passive equity holdings with UBS, to be invested in lower carbon passive funds; 70% in the UBS Climate Aware Fund and 30% in the Osmosis Resource Efficiency Fund. This would reduce the carbon impact of the fund but maintain diversification.

RESOLVED:

The Pension Board noted the Business Plan and associated appendices.

91. **Valuation Update**

The Employer Services and Communications Manager reported on the completion of the valuation project, the report for which had been published on 31st March. The process had worked efficiently as regular meetings had been held with the Fund's actuary Hymans Robertson and the data quality was good.

For the purpose of calculating the ongoing Funding level, the discount rate was based on a prudent estimate of future returns, specifically that there was a 70% likelihood of these returns being achieved over the 20 years following the calculation date.

The contribution rates for employers was 20.5%, nationally the rates were 19-25%. There was good engagement with employers and good education of employees.

There have been two minor changes made to the draft funding strategy statement as previously approved.

RESOLVED: The Local Pension Board noted the valuation update.

92. **Northamptonshire Pension Fund Forward Agenda Plan**

The Governance and Regulations Manager reported that the code of practice had not been released and therefore had been put back from June.

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

93. **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 3.45 pm

Chair: _____

Date: _____