



Pensions Fund Committee

Minutes of a meeting of the Pensions Fund Committee held at Jeffrey Room, the Guildhall, Northampton, NN1 1DE on Wednesday 12 October 2022 at 1.00 pm.

Present:

Councillor Malcolm Longley (Chair)
Councillor Charles Morton (Vice-Chair)
Councillor Phil Bignell
Councillor Paul Joyce
Councillor Peter Matten
Councillor Graham Lawman
Robert Austin

Also Present:

Alicia Bruce, Chair of Local Pension Board
Councillor Andrew Weatherill, NNC

Apologies for Absence:

John Wignall
Peter Borley-Cox
Councillor Jamie Lane
Councillor Cathrine Russell
Councillor Lloyd Bunday

Officers:

Mark Whitby, Head of Pensions
James Smith, Assistant Director – Finance (Strategy)
Cory Blose, Employer Services and Systems Manager
Michelle Oakensen, Governance and Regulations Manager
Scott Peasland, Audit Manager
Anand Persaud, Principal Auditor
Maisie McInnes, Democratic Services Officer

102. **Declarations of Interest**

Rob Austin declared a personal interest as a member of LGPS and has an AVC with prudential. Councillors Phil Bignell and Graham Lawman disclosed pecuniary interests as their wives are deferred members of LGPS.

103. **Minutes**

The minutes of the previous meeting held on 25 July 2022 were agreed as a true and accurate record of the meeting.

104. **Chair's Announcements**

The Chair welcomed everyone to the meeting and thanked them for attending at the earlier start time of 1pm.

105. **Action Log**

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

106. **Internal Audit Report**

At the Chair's invitation, the Audit Manager presented the Internal Audit report and explained that internal audit was part of a shared service arrangement last year hosted by Milton Keynes and WNC had since then moved away from this and started hosting an in-house service from 1 April 2022. Since 1 August, a new Head of Audit and Risk had joined the authority and the team were continuing to build resilience and provide assurance. The report demonstrated audit's annual commitment to providing assurance to the Pension Fund Committee and the audit covered the 2021/2022 period. The audit had been comprehensive in scope with the addition of 3 areas being added which were KPI reporting, identification of breaches and risk monitoring and reporting. The Audit Manager praised the good working relationship he had with the pensions management team, with 2 issues being raised during the audit process that had been resolved in the time of the report being finalised and shared that overall, the audit was positive with a substantial rating and assurance in terms of the systems design.

Members asked questions regarding the decision to move to in-house provision and the Audit Manager and Assistant Director of Finance (Strategy) confirmed this was decided by the section 151 officer and approved by cabinet. Members asked for more information regarding areas of non-compliance detailed in the report and the Head of Pensions responded that the team did not have the most effective system in place to manage year end data queries with scheme employers but had moved Jo Kent within the team to manage this area and streamline the process going forward.

The Chair thanked the Audit Manager and Principal Auditor for their comprehensive report.

RESOLVED: That the Pension Fund Committee considered and noted the findings from Internal Audit work during 2021-22.

107. **Administration Report**

At the Chair's invitation, the Governance and Regulations Manager summarised the report and explained that in terms of KPIs there were an exception of 4 that were not on target and as explained in section 5.13 and 5.14, this was due to performance issues, staff illness and vacancies within the team. Other than this, the report was positive with employer contributions for the 3-month period April to June 2022 recorded as 100% paid on time, and there were no internal dispute resolution

procedure cases or breaches to report. The Governance and Regulations Manager concluded the administration report and invited members to ask questions.

RESOLVED: The Pension Fund Committee noted the contents of the report.

108. **Governance and Compliance Report**

At the Chair's invitation, the Governance and Regulations Manager presented the report and explained that the Pensions Dashboards Regulations 2022 as previously discussed at pension fund committee was the legal duty placed on pension schemes to provide information to allow individuals to access pension details in one place. The Governance and Regulations Manager explained that due to the complexities of the LGPS the staging data had been delayed slightly to a staging date of 30 September 2024 to connect to a Pensions dashboard and a date of 1 April 2025 to make scheme member data available. The current position was that the pension team had received a report from AON and a detailed project plan had been created and was currently being reviewed and this would enable the team to get ahead of the curve.

The Scheme Advisory board annual report was published on 13 June 2022 which captured the highlights of the year up to 31 March 2021 as detailed in section 5.2.2 of the report. The total membership increased by 1.08% to 6.226 million and assets had increased by 23.4% to £342 billion. Members could read the full report via the link in the report for further information.

In terms of the academy guarantee, the government confirmed on 21 July 2022 that they would continue to provide this to LGPS funds. The pension team would continue to monitor this and report in future if there were any changes.

Finally, the Governance and Regulations Manager highlighted the training plan was contained in appendix A and reminded members of the conflicts of interest training session taking place on 25 November 2022 which they should have all received an invite for. Members were asked to check their inboxes and advise if this hadn't been received, and a link would be provided for any members to watch the training back if they were not available on this date. The Conflicts of Interest Policy would then be delivered at the December meeting for approval.

The Head of Pensions explained they were organising investment strategy training and potentially ESG training provided for members with Mercer which would enable Pensions Fund Committee to approve the investment strategy and save duplication. This would enable the committee to gain a deeper understanding of these topics and ensure the committee meetings could keep to the 2-hour time.

The Governance and Regulations Manager concluded that AON had provided a summer programme of basic level training for members last year and this was needing review and alternative options explored going forward for training. A future training plan would be brought to the next committee meeting in December.

RESOLVED: That the Pension Fund Committee noted the report.

109. **Business Plan Update Report**

The Head of Pensions presented the report and explained that the table on page 52 demonstrated the business plan activity. There were two new activities, the first amber related to the delay in the new code of practice being published and the second similarly related to the additional voluntary contribution review which was also an agenda item to be discussed later in the meeting. He explained the good governance review had been delayed centrally but understood that this would be published soon. The fourth amber rating related to the processing of undecided leaver records, and this had been raised with the section 151 officers and the fifth amber was relating to the delay with starting the website and digital communications activity but was on track to complete within the overall timescale.

Members discussed the report.

RESOLVED: That the Pension Fund Committee noted the business plan update and approved the two new activities set out in paragraphs 4.18 and 4.19.

110. **Reporting Breaches of the Law to the Pensions Regulator Policy**

At the Chair's invitation, the Governance and Regulations manager presented the report and explained that the team were initially awaiting the release of the new code of practice before conducting the review which was due to come into force in November 2021. However, this had been delayed and it was felt prudent to review in line with the existing code of practice, the review had also been highlighted as an action that arose from the internal audit as explained earlier in the meeting by the Audit Manager. The plan was to seek members approval of the reviewed policy based on the current code and then revise the policy as necessary when the new Code of Practice was in place. The Governance and Regulations Manager explained that the policy was important to ensure the right mechanisms and reporting methods were in place and following the correct procedures. The policy would be reviewed within 6 months of the new singular code being in force and if there were no material changes, the committee would be updated in the Governance and Compliance standing report, rather than the full report coming back to the committee.

Members discussed the report and questioned table item 9.4/9.5/9.7 relating to the Head of Pensions being responsible for the single point of decisions. The Governance and Regulations Manager agreed that they could add to this to clarify in the policy.

RESOLVED: That the Pension Fund Committee approved the revised Reporting Breaches of the Law to the Pensions Regulator policy.

111. **Employer Admissions and Cessations Report**

At the Chair's invitation, the Pensions Service Employer and Communications Manager summarised the report and invited members to ask any questions.

RESOLVED: That the Pension Fund Committee:

(1) Noted the entry of one designating body to the Northamptonshire Pension Fund.

(2) Noted the Committee of two employers ceasing participation in the Northamptonshire Pension Fund.

112. Northamptonshire Pension Fund Forward Agenda Plan

The Governance and Regulations manager presented the forward plan and explained that the report had been updated to include Investment Sub-Committee agenda items going forward and the funding strategy item would be moved to the March meeting to save duplication of work.

The Chair praised the inclusion of Investment Sub-Committee items as it was an excellent way forward to keep the committee informed of big decisions being taken.

RESOLVED: That members noted the forward plan.

113. 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 Pension Fund Committee moved into private session.

The meeting closed at 2.58 pm

Chair: _____

Date: _____