



**Northamptonshire
County Council**

Agenda Item No: 05

Democratic Services
Column E2
1st Floor
One Angel Square
Northampton

Northamptonshire Local Pension Board

**Minutes of the meeting held on 11 March 2021
Meeting held via Zoom
(Meeting held in public)**

PRESENT: -

Councillor Allan Matthews (Vice Chairman)

Employers Side

Julie Petrie

Employees Side

Martin Hammond
Kev Standishday

Also in attendance (for all or part of the meeting)

Jenny Daniels	Democracy Officer (minutes)
Paul Hanson	Democratic Services Manager
Michelle Oakensen	Governance Officer
Paul Tysoe	Investment Manager
Joanne Walton	Governance & Regulations Manager
Mark Whitby	Head of Pensions

01/21 Welcome & Apologies for non-attendance

Apologies were received from Paul Evans and Councillor Arthur McCutcheon

02/21 Declarations of Interest by Members, if any

Martin Hammond stated he would be affected by the exit cap.

03/21 Minutes of the Meeting Held on Monday 16 November 2020:

RESOLVED that: the Local Pension Board approved the minutes of the meeting held on Monday 16 November 2020.

04/21 Action Log:

At the Chairman's invitation, the Governance Officer, Michelle Oakensen introduced this item (copies of which had been previously circulated).

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

05/21 Minutes of the Pension Committee held on 11 December 2020:

At the Chairman's invitation, the Governance Officer, Michelle Oakensen introduced this item (copies of which had been previously circulated).

RESOLVED that: the Pension Committee noted minutes of the Pension Committee held on 11 December 2020.

06/21 Pensions Administration Performance Report:

At the Chairman's invitation the Governance & Regulations Manager, Joanne Walton introduced the report (copies of which had been previously circulated) highlighting the following:

- One of the Key Performance Indicators (KPIs) in appendix 1 was shown in red. This had not been met due to insufficient capacity within the team and a training issue. Both of these issues had now been resolved.
- As could be seen in Appendix 2 of the report the percentage of employers paying on time was 99.1% or above.
- In terms of breaches of the law, there had been 9 contribution payments paid outside of the statutory 5-year period. There was due to be a change in legislation that was likely to remove the 5-year requirement.
- The first internal dispute resolution in the table in 5.2 of the report showed one that was originally not upheld but they were awaiting an extension on the deadline of the appeal the decision that had been received in relation to this.
- They were seeking reinstatement for 2 LGPS benefits that had been transferred to an overseas scheme in 2014. This type of case had become more frequent and many LGPS schemes across the country were now receiving them.

RESOLVED that: Local Pension Board noted the Pensions Administration Report.

07/21 Pension Fund Annual Business Plan Update report 2020/21:

At the Chairman's invitation the Head of Pensions, Mark Whitby, introduced the report (copies of which had been previously circulated) highlighting the following:

- Good progress had been made particularly in the investments phase.
- Some of the activity had been moved into the following year's business plan because of the additional work required by the pandemic. There would also be different systems and processes in place under the unitary authority they would be moving to.
- Heywood had undertaken some disaster testing and were just analysing the reports.
- They had undertaken a scorecard assessment which had been shared with Aon. They would be analysing this and discussing the best way forward with them.
- The following year the business plan would include a full cyber resilience action plan.
- They were investigating the possibility of implementing multiple investment strategies for the employers within the scheme. It could be a less risky strategy for some of the employers who had left the scheme or who were completely funded. They had asked the Actuary to undertake some modelling on this.
- The pandemic had had an impact on undecided leavers. They had employed a third party to undertake some of this work but they were not able to start at the beginning of the year. Everyone now sent their data in monthly through the i-connect system. It was creating a lot of transactional data so there was some work to undertake to ensure only leavers and not those changing their pay point or job title were sorted. There were also a large number of cases where they had to return to the employer for more information. Some of these had taken some time to contact the Pensions Team.

In answer to queries on the report the following was confirmed:

- A number of district councils had not moved to i-connect. They would however, be in i-connect as part of the North and West Unitary Authorities.
- Employers would need to submit a March end return.
- They would change the way they reported the number of unprocessed leavers. There were usually approximately 3,000 cases outstanding at any point in time.
- When an update was run at the end of the school year they would suddenly receive 1,000 additional cases overnight. If the case was over a certain age they would treat it as a backlog whether it was as a result of the Pensions Team or scheme employer. The systems team would deal with the backlog and the operational team dealt with business as usual. The business plan reported anything that was moved into the backlog.
- The re-tender for investment consultancy services would be undertaken with Cambridgeshire County Council and interviews would take place the following week.
- The team were confident they had robust IT systems in place. They would be linked to the West Northants Unitary Authority and there would be no difference in terms of how they sat within the authority to Northants County Council.

RESOLVED that: The Pension Board noted the Business Plan Update to 31 January 2021.

08/21 Governance and Compliance Report:

At the Chairman's invitation, Governance & Regulations Manager, Joanne Walton introduced this report (copies of which had been previously circulated) highlighting the following:

- As previously reported Central Government had introduced a public sector exit cap of £95,000 on 4 November 2020. On 12 February 2021 Government announced they would be revoking the regulations. The Northamptonshire Fund had no-one affected by this.
- The exit cap had been revoked because of some unintended consequences but they were reassured there would be new regulations coming into place and there would be a consultation on these.
- The Pensions Regulator had launched a pledge for pension schemes to combat pensions scams. The Northamptonshire Fund was going to sign up to this pledge but would have to prove various things were robust including communications. Whilst the Pensions Team were not financial advisors anyone trying to access a fund worth over £30,000 was required to seek financial advice.
- The Pensions Team were beginning to see members who had used a claims management company to contest decisions made and suggest the pension schemes that had transferred the money should return the money. It was referenced on the risk register.
- The Governance and Administration Survey was published in November 2020. The Northamptonshire Fund had all of the 6 key areas that the Pension Regulator expected in place.
- The Pensions Regulator's consultation on the singular code of practice was expected to be launched in March. This would include the minimum standards of performance required.
- There were 15 codes of practice and number 14 related to just the public sector. The Pensions Regulator was planning to put all 15 into 1 and a consultation was expected to be released shortly with approximately 300 questions included.
- The final recommendations on the Scheme Advisory Board's Good Governance Review had been put to the Ministry of Housing Communities and Local Government (MHCLG).

In answer to queries on the report the following was confirmed:

- They did not have anyone who was due to retire caught up in the system with the arrangements around an exit cap. Other LGPS Funds in the country did have people.
- A lot of information was included on the website. Pre-2008 it was also quite complicated so many people did not understand how their pension was made up. They had therefore put some guides on the website about how it was made and there were video clips they could link to nationally. There were also links to the national Local Government Pension Scheme website where the basics of a care scheme was explained.
- A factsheet was being sent out regarding Pensions and they could follow this up with further communications.
- The Pensions Team had spent a year developing a new responsible investment policy. The Investment Sub-Committee then approved a version which would be put to the Pensions Committee. If they approved it there would be a 30 day consultation.
- If a pension fund sold their shares in fossil fuels a non-responsible investor could buy them. It would not make sense to disinvest for disinvestment's sake.

RESOLVED that: the Local Pension Board noted information on:

- 1) The Public Sector Exit Cap (Section 2) and appendix to the report;**
- 2) The activities of the Pensions Regulator (section 3);**
- 3) Consultations (section 4);**
- 4) Future Developments (section 5); and**
- 5) Skills and knowledge opportunities (section 5) and appendix 2 to the report.**

09/21 Risk Monitoring Report

At the Chairman's invitation, Governance & Regulations Manager, Joanne Walton introduced this report (copies of which had been previously circulated) stating the Pensions Team had strengthened the risks around cyber security and pensions scams. They would also be undertaking a significant piece of work on cyber security in the new year. The Covid pandemic was still logged as a medium to short term risk and noted the exit cap.

RESOLVED that: the Local Pension Board reviewed the current risks facing the Fund

10/21 Administration Strategy Review

At the Chairman's invitation, Governance & Regulations Manager, Joanne Walton introduced this report (copies of which had been previously circulated) stating it was noted in the LGPS regulations that the Pension Scheme may prepare a written policy setting out the administration of the Fund and responsibilities of the administering authority and the scheme employers. There had been a strategy for the Northamptonshire Fund for a number of years and whilst it was not compulsory, the Good Governance review indicated it could become so. A number of changes which were listed in paragraph 3.2 of the report had been made to it. The strategy was split from the Cambridgeshire Fund and the objectives had been updated. The key performance indicators had been updated and references to Service Level Agreements had been taken out. The key activities had been updated to reflect the current processes.

RESOLVED that: The Local Pension Board reviewed the amended Administration Strategy.

RESOLVED that: Under Section 100A of the Local Government Act 1972, the Pensions Committee 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 1 of Schedule 12A to the Act would be disclosed to them.

11/21 ACCESS Asset Pooling update:

RESOLVED that: the Local Pension Board:

- 1) Noted the attached minutes from the ACCESS Joint Committee meeting of 12 November 2020; and**
- 2) Noted the asset pooling update following the JC meeting of 13 January 2021.**

There being no further business the meeting closed at 11.05am.