



Local Pension Board

Minutes of a meeting of the Local Pension Board held at Jeffrey Room, The Guildhall, Northampton on Thursday 2 November 2023 at 2.00 pm.

Present:

Alicia Bruce (Chair)
Julie Petrie (Vice-Chair)
Councillor Andrew Weatherill
Councillor Greg Lunn
Katy Downes - remotely

Apologies for Absence:

Kevin Standishday
Scott Peasland – Audit Manager

Officers:

Paul Hanson, Head of Democratic & Elections
Mark Whitby, Head of Pensions
Michelle Oakensen, Governance and Regulations Manager
Jeverly Findlay, Committee Officer
Anand Persaud, Principal Auditor - remotely

104. **Declarations of Interest**

No interests were declared.

105. **Minutes**

RESOLVED: The Local Pension Board approved the minutes of the meeting held on 29 June 2023.

106. **Chair's Announcements**

The Chair extended a welcome to Councillor Greg Lunn who had joined the Board.

107. **Internal Audit Report**

The Principal Auditor presented the Annual Audit of the Northamptonshire Pension Fund for 2022/23. A substantial opinion assurance was given in respect of the control environment in place and a substantial assurance opinion for compliance; there were no recommendations as a result. Following the audit undertaken in the previous year, and comments received from the Pension Committee and Board, the scope remained very similar but a more deep-dive review into the control environment was undertaken.

In 2021/22 there had been 5 recommendations, 4 of which had been completed. The outstanding recommendation was with regard to annual reconciliation and was expected to be completed by the end of December. The Principal Auditor highlighted that the service had recently introduced improvements in the process and new workflows which was welcomed but it had resulted in the delay.

Councillor Weatherill queried how many auditor days had been undertaken this year and the previous year. The Principal Auditor undertook to circulate this information after the meeting.

Further to an enquiry, the Head of Pensions advised that the reconciliation with the scheme employers could not be undertaken until after the financial year end; it had been closed down but the re-sequenced work not yet undertaken. The target for this was December.

The Head of Pensions noted that the internal audit teams across the authorities would be on rotation and therefore next year the audit would be undertaken by Cambridgeshire County Council

Councillor Weatherill raised concerns that there had been a reduced level of auditing and that the assurance mapping was still outstanding. It was important to have an independent objective view. The Head of Pensions highlighted that the Potential Breaches of the Law report had been produced in response to audit work, the monitoring of performance indicators and the customer journey.

RESOLVED: The Pension Board noted the findings from Internal Audit work covering the period 2022-23.

108. **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 presented the report and drew the Committee's attention the red and amber Key Performance Indicators (kpis); related to the payment of benefits for active and deferred members. With regard to the payment of retirement benefits from active service, following a recent analysis of other pension fund schemes it had transpired that nationally the turnaround time to notify employees was 15 days and currently for the Northamptonshire Pensions Fund this was 5 days. The Administration Strategy would be submitted to the Committee in December for approval, and it would include a proposal to amend the turnaround time for the retirement kpi to change from the current 5 days to a more achievable target of 10 days.

Insight reporting was being developed with the intent to pick up on any systemic issues and see if there were any patterns with employers.

In reference to the Internal Dispute Resolution Procedure case, the dispute had been partially upheld at stage 1 because an Additional Voluntary Contribution transfer had not been permitted. It had been partially upheld as there had been an opportunity to

advise the member earlier. Cases are reviewed at quarterly quality assurance meetings with lessons learned shared within the Service.

An overpayment of a pension, related to a death, had been identified as part of the National Fraud Initiative and a death certificate could not be located, so it could be that it occurred overseas. Due to the time that had elapsed since the date of death the next step was to try to obtain a copy of the probate.

The Governance and Regulations Manager advised that some of the new kpis would be submitted to the committee in December. The Chair enquired what had driven the production of the new kpis. The Governance and Regulations Manager advised that they were linked to the audit that had been undertaken to identify breaches of the law. The Governance Advisors had provided an overview of statutory KPI deadlines to enable the proposed supplementary KPIs.

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

109. **Business Plan Update**

The Head of Pensions provided an update on the Business Plan and the RAG status of the targets. The software procurement had now been completed and the contract will commence on 24th October 2024.

The Guaranteed Minimum Pension Rectification was on track for year end unless a reschedule was necessary. The target for the McCloud age discrimination remedy had changed to amber as the guidance from the Government had been delayed. The service was live calculating benefit cases but retrospective remedies for those that had left were not yet being calculated. The guidance was expected in 2024 and it would include prioritisation advice. Processing of undecided leavers had changed to green from amber and 20% of the backlog had been processed. The development of the ACCESS pool was amber as Apex had been the non-listed Advisor for the pool. The Joint Committee had recently approved Apex and therefore this was likely to change to green. Two new activities had been included; one due to equality, diversity and inclusion (EDI) best practices and the other as the investment consultancy contract was due to be reviewed next year and would be decided by the Pensions Committee.

RESOLVED:

- (i) The Board noted the Business Plan Update.**
- (ii) The Board noted the new Business Plan activities at 6.18 and 6.19.**

110. **Governance and Compliance Report**

The Governance and Regulations Manager introduced the report and provided an update on the Pension Dashboard. The revised staging timetable would be set out in guidance and all schemes in scope would need to connect by 31 October 2026 as set in legislation. Consideration would need to be given for GDPR compliance for

any non-members; contact would need to be made within 30 days for any partial matches and non any non matches data would need to be deleted immediately.

A quick succession of updates to the McCloud remedy had been provided in the last 3 weeks and the regulations published; national working groups had been established. It was estimated that 15.2% of members were in the scope of the remedy, but further guidance was awaited, and the numbers could increase.

Communications would be reviewed and the landing page for the website would be updated. Emails would be sent to those members that the service had an email address for and letters sent out for members who had opted out of electronic communications. Employers would also be utilised to advise active members and via newsletters. An EDI action plan would be produced next year taking into consideration any outcomes of the Gender Pay Gap Review

The Board were asked if they had any training requirements and if they wanted to go the governance training that had been arranged.

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

111. **Potential Breaches of the Law Report**

The Governance and Regulations Manager advised that this report linked to the assurance mapping control objective within the audit to ensure that appropriate procedures were in place to identify and report breaches of the law. The requirements and controls that were in place had been reviewed and the LGPS regulations and the Pensions Act 2004 had been considered to ensure compliance. The Reporting Breaches of the Law to Pensions Regulator Policy was in place. Section 6.9 of the report identified the consequences of breaching the law. It was noted that professional advice had been sought regarding the areas that should be reviewed.

The Governance and Regulations Manager highlighted that the review had been positive as it had confirmed that adequate controls were in place with the report documenting this to be the case. The next step was to cross reference to the risk register, but it was noted that the risk register was already a large documents due to evolving mitigations and the format would be reviewed; the assurance mapping would identify any gaps to be addressed.

RESOLVED: The Pension Fund Board noted the potential breaches of the Northamptonshire Pension Fund and associated control measures.

112. **Cash Management Strategy**

The Head of Pensions advised that a full review of the Cash Management Strategy had been undertaken and section 5 identified the main changes; for example reference to the LGSS had been removed. With regard to cash flow at a high level contributions were usually received by 19th and outgoings were pensions and payroll. The custodian dealt with investments approved by the Committee.

RESOLVED: The Pension Fund Board noted the updates to the Northamptonshire Pension Fund Cash Management Strategy.

113. **Northamptonshire Pension Fund Board Agenda Plan**

The Governance and Regulations Manager drew Members' attention to the Pension Fund Forward Agenda Plan.

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

114. **Annual Report of the Local Pension Board**

The Head of Democratic and Elections presented the report which provided a summary of the Local Pension Board's deliberations and activities for the year. It was

RESOLVED: That the Local Pension Board recommends the annual report to Council, set out at Section 6 of the report.

115. **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 3.25 pm

Chair: _____

Date: _____