

Pensions Fund Committee

Minutes of a meeting of the Pensions Fund Committee held at Jeffrey Room, The Guildhall, St Giles Street, Northampton, NN1 1DE on Wednesday 28 June 2023 at 4.00 pm.

Present:

Councillor Malcolm Longley (Chair)

Councillor Phil Bignell
Councillor Lloyd Bunday
Councillor Janice Duffy
Councillor Jamie Lane
Councillor Graham Lawman
Councillor Peter Matten
Andy Langford
Elnora Latchman

Apologies for Absence:

Councillor Charles Morton
Councillor Cathrine Russell
Robert Austin
Peter Borley-Cox
Paul Wheeler

Officers:

Mark Whitby, Head of Pensions
Michelle Oakensen, Governance and Regulations Manager
Ben Barlow, Funding and Investment Manager
Cory Blöse, Employer Services and Communications Manager
James Smith, Assistant Director - Finance (Strategy)
Jeverly Findlay, Committee Officer

150. **Declarations of Interest**

Andy Langford and Elnora Latchman declared a personal interest as a member of LGPS. Councillors Phil Bignell and Graham Lawman disclosed personal interests as their wives were deferred members of the LGPS.

151. **Minutes**

RESOLVED:

That the minutes of the Investment sub-committee of 29 March 2023 be approved and signed as a correct record

152. **Chair's Announcements**

The Chair announced that at the next meeting the Committee would be asked to consider whether the Pension Fund Committee meetings could be held at 2pm.

153. **Administration Report**

The Governance and Regulations Manager presented the report and advised that most of the key performance indicators had been met over the period, 5 had been missed, one of which was 1 red and the other 4 were amber. Following a successful recruitment process there were six new starters in a team of nine. As these new starters had recently commenced in their roles their inexperience had affected the performance, over time their skills and knowledge would increase, and the performance issue would be addressed. There was an increase of individuals changing jobs after the pandemic, and also a number of people in the team currently on maternity leave or due to go on maternity leave, as well as an isolated case of long term sickness. The risk relating to the capacity of the team was included in the risk register.

The new performance indicator development was on track and testing had commenced that week. It was expected that the first statistics would be able to be brought to Committee in October.

For the first time in over a year the receipt of employee and employer contributions had not been 100% and this would continue to be monitored. The contributions received on time in March had been 99.4%.

Referring to the Data Improvement Plan set out in appendix 4, the Governance and Regulations Manager advised that there were three key areas regarding data quality improvement: Common data, Guaranteed Minimum Pension rectification and the unprocessed leaver records.

Further to an enquiry in relation to concerns regarding the performance, the Head of Pensions pointed out that the average was taken over a month not three months. Some of the ambers were due to tight deadlines around cases and the pension team had a 5 day turnaround which was much tighter than other pensions schemes. There were the correct number of employees in the team but they lacked experience. A request was made for the time period of the report to be included in the title.

Councillor Matten enquired as to why the data validation of 3,800 records had no resolution timescale and why this number of records needed to be corrected. The common data issue stemmed from losing contact with members of the scheme who had moved house and it was a common data problem for pension services. The Head of Pensions advised that the unprocessed leaver records were not a new issue and had been reported to the Committee for years; it was also included in the business plan, it was often very time consuming and complex to agree data between different parties and technical queries may need to be referred on.

The Employer Services and Communications Manager added that sometimes the notifications regarding leavers dates were received later than required and he was working on this from a communications perspective.

RESOLVED: That the Pension Fund Committee note the report.

154. **Business Plan Update**

The Head of Pensions updated the progress made on the key activities for the period, namely the procurement of new software. Submissions had been received from more than one supplier. There were 2 ambers referred to in the report in section 2.3, which were due to a change of control of the advisor MJ Hudson in the ACCESS asset pool and the processing of undecided leavers. The processing of undecided leavers was amber as the Government's Actuary's Department had changed the discount rate and this had impacted on the factors involved in many benefit calculations, including transfer calculations required for leavers with less than 2 years service. All pension funds were in the same position and it effected business as usual and backlogs. When the new factors were received it was expected that over a thousand cases would be able to be processed in bulk. The Benefits and Governance Advisor had been asked to review the processes to ensure that they were as efficient as possible.

Further to an enquiry, it was noted that the key milestones in 6.1 and 6.2 had been completed and the investment into M & G was happening that week.

RESOLVED: That the Pension Fund Committee note the Business Plan Update.

155. **Governance and Compliance Report**

The Governance and Regulations Manager reported that the Government had revised the guidelines with regard to the Pension Dashboard Programme and the new connection deadline was now 31st October 2026. Collaboration within the industry was being encouraged and further guidance was expected later in the year. Preparation was ongoing with data cleansing including the data improvement plan activities and whether the AVC providers would need to display the information separately.

With regard to the McCloud Remedy the second consultation had been issued on 30 May and would close on 30 June. The focus was on scheme regulations and removing discrimination. The response would include comments regarding the excess teacher service. The Local Government Association had published their response that day.

The service needed to consider member awareness and engagement in response to the gender pensions gap report and a further SAB report was due later in the year.

The Governance and Regulations Manager asked the Committee to agree the changes set out in the table in section 6.5 which were immaterial amendments to policies.

New Members would be sent their log in details for the online training portal in the next few days. It was noted that the Training Strategy would be considered at the committee in July.

Further to an enquiry from Councillor Matten, the Head of Pensions advised that the most common Freedom of Information requests were with regard to investments. Information for common FOIs had been included on the Fund's website but obviously information that was commercially sensitive could not be shared.

RESOLVED:

That the Pension Fund Committee note the Governance and Compliance Report and note the immaterial amendments to be applied to the policies in section 6.5.2.

156. Employers Admissions and Cessations

The Employer Services and Communications Manager advised that there had been an admission of two transferee admission bodies across three admission agreements and they were asked to approve the sealing of the admission agreements.

The Committee were advised of the exit of nine employers from the Fund. With regard to the risks being amber, this was due to the impact and was based on a worst case scenario, as sometimes employers failed. There were 200 different employers in the scheme and if they could not pay this would become a liability.

It was noted that the previous authority of the Borough Council of Wellingborough was incorrectly referred to as the Wellingborough Borough Council.

RESOLVED:

(i) That the Pension Fund Committee note the admission of the following admitted bodies to the Northamptonshire Pension Fund and approved the sealing of the following admission agreements;

- **Compass Group (Innovate Multi Academy Trust)**
- **Kier (West Northants)**
- **Kier (North Northants)**

(ii) That the Pension Fund Committee note the exit of the following bodies from the Northamptonshire Pension Fund:

- **Birkin Cleaning Services (Elizabeth Woodville Academy – TOVE Learning Trust)**
- **Kier Limited (Fleet and Passenger Services)**
- **Kier Limited (May Gurney)**
- **Kingswood Catering Ltd (Little Harrowden Primary Academy)**
- **NSL Limited**
- **Voices for Victims and Witnesses Ltd**

- **Wellingborough Norse**
- **Huxlow Single Academy Trust**

157. **Cash Management Strategy**

The Head of Pensions advised that a review of the Cash Management Strategy had been undertaken and outlined the changes being proposed as set out in table 2.1.

RESOLVED:

That the Committee approve the updates to the Cash Management Strategy.

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

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

RESOLVED:

That the Northamptonshire Pension Fund Forward Agenda Plan be noted.

159. **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 5.05 pm

Chair: _____

Date: _____