



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 Tuesday 5 December 2023 at 4.00 pm.

Present:

Councillor Malcolm Longley (Chair)
Councillor Charles Morton (Vice-Chair)
Councillor Phil Bignell
Councillor Graham Lawman
Councillor Cathrine Russell
Robert Austin
Peter Borley-Cox
Paul Wheeler
Elnora Latchman
Councillor Janice Duffy – virtual attendance

Apologies for Absence:

Councillor Lloyd Bunday
Councillor Jamie Lane
Councillor Peter Matten

Officers:

Mark Whitby, Head of Pensions
Michelle Oakensen, Governance and Regulations Manager
Cory Blose, Employer Services and Communications Manager
James Smith, Assistant Director - Finance (Strategy)
Jeverly Findlay, Committee Officer
Fiona Coates, Pension Services Financial Manager

Also Present:

Grant Patterson, Grant Thornton
William Howard, Grant Thornton

178. Declarations of Interest

Councillor Graham Lawman declared an interest as his wife was a deferred member of the LGPS. Councillor Phil Bignell declared an interest that his wife was an active, member of the LGPS.

Councillor Graham Lawman also declared an interest as a school governor for the following schools: Croyland Primary, St. Christopher Hatton Academy, Ecton Village Primary Academy, Oakway Academy and Victoria Primary Academy.

179. Chair's Announcements

The Chair congratulated the team on winning the award for Achievement in Financial Reporting and Accountability at the Public Finance Awards 2023.

180. **Minutes**

RESOLVED:

That the minutes of the Investment sub-committee of 2 October 2023 be approved and signed as a correct record.

181. **Administration Report**

The Governance and Regulations Manager presented the report for the period 1 August to 31 October 2023 and drew the Committee's attention to appendix 2 and the 7 red and 1 amber Key Performance Indicators (kpis). The target for processing the payments of benefits from active service was particularly tight at 5 working days and Officers were seeking to revise this to 10 working days to allow sufficient processing time. If a correction was required this created additional pressure on the team in meeting the target. The average number of days for processing was 6.6 days during October 2023, therefore the target was only just being breached. Comparing against the industry standard and CIPFA benchmarking, the majority of pension funds had 15 days for the same target. It was noted that the payment of benefits from deferred membership status, although red, would be addressed within the current target.

The development of the customer journey performance indicators continued and were set out in appendix B.. Councillor Lawman queried what the timescales were. The Governance and Regulations Manager advised that some of the tasks were being considered now; the Committee would be provided with an analysis and the goal was for them to be completed by the end of the financial year.

RESOLVED:

- (i) That the Committee note the contents of the report.
- (ii) That the Committee approves the change to the KPI target for the payment of retirements benefits from active employment from 5 working days to 10 working days (section 6.1).

182. **Business Plan Update**

The Head of Pensions drew the Committee's attention to the executive summary and that the pensions administration software contract had now been sealed; the contract would commence on 1 October 2024. Multiple bids through the national framework had been received for the procurement tenders that were required, which were set out in the report. The Committee were advised that the activity on the GMP rectification had been paused as resources had been redeployed to work on the McCloud remedy. Work would recommence in the new year and should conclude in the first quarter. The guidance from the Government regarding the McCloud remedy was due to be published in the new year. There was 1 other amber kpi with regard to

the undecided leavers records. The development of the ACCESS asset pool had been changed from amber to green.

Paul Wheeler queried whether the procurement could be staggered in future years to relieve some of the pressure on the service. The Head of Pensions advised that the service requirements had to fit in between actuarial valuation cycles. Contracts may have the option to be extended however.

RESOLVED:

That the Committee noted the Business Plan Update.

183. **Governance and Compliance Report**

The Governance and Regulations Manager reported some additional information since the publication of the agenda. With regard to the pension dashboards, confirmation had been received regarding the staging dates for the pension scheme and the consultation would be published in spring 2024. Administering authorities had a legal duty to have regard to the guidance. The draft dashboard connection guidance had been produced and Pension Funds could feedback comments. The pension dashboard programme would contain information regarding the route to convert to the dashboard ecosystem. A progress report would be submitted to the Committee in June.

With regard to the process for Additional Voluntary Contributions, the Local Government Association had set up a workstream as industry consensus was required.

It was business as usual for ongoing McCloud remedy cases from 1st October. Some areas had required manual intervention. The system had been upgraded and more accurate reporting would be provided. The Department for Levelling Up Housing and Communities draft prioritisation policy was being prepared in 4 stages. The Fund had met disclosure regulations by communicating with members via the most appropriate method (email, letter, MSS) and there was a dedicated McCloud Remedy page on the website also.

Councillor Lawman queried how ready the Team were for the pension dashboard rollout. The Governance and Regulations Manager advised that it was now known who the payroll software provider would be and there were no concerns currently about moving forward. The Head of Pensions added that the ISP arrangements were expected to be finalised in the first financial quarter next year and this would connect to the pension dashboard.

RESOLVED:

- (i) That the Committee note the Governance and Compliance Report.
- (ii) That the Committee note the immaterial amendments to be applied to the policy in section 6.5.2.

184. Assurance report on potential breaches of the law

The Governance and Regulations Manager advised that the report had been produced in response to a comment from audit regarding how breaches are identified. The report provided the Committee with assurances that adequate controls were in place for identifying breaches and the controls were outlined in section 6 of the report. The work that had been carried out demonstrated that the service was compliant with the LGPS regulations. Potential breaches of the law would be cross referenced to the risk register in the future. Further to an enquiry, the Governance and Regulations Manager advised that there was no specific report template for the legislative breaches to be reported to TPR but all breaches would be assessed and reported in line with TPR Reporting Breaches of the Law Policy where appropriate.

RESOLVED:

That the Pension Fund Committee note the potential breaches of the Northamptonshire Pension Fund and associated control measures.

185. Admissions and Cessations

The Employer Services and Systems Team Manager drew Members' attention to the recommendations in the report and it was

RESOLVED:

- (i) That the Pension Committee note the admission of the following admitted body to the Northamptonshire Pension Fund and approve the sealing of the admission agreement; Innovate Services
- (ii) That the Pension Committee note the entry of the following resolution body to the Northamptonshire Pension Fund; Kingsthorpe Parish Council
- (iii) That the Pension Committee note the exit of the following bodies from the Northamptonshire Pension Fund: Pathfinder Legal Services
- (iv) That the Pension Committee note the update on previously reported cessations relating to: Voice for Victims and Wellingborough Norse

186. Pension Fund Annual Report and Statement of Accounts 2022-23

The Pension Services Financial Manager drew Members' attention to the key changes that had been made since the draft accounts had been considered and which were set out in section 6 of the report. A £7.6m adjustment had been made to Private Equity, Infrastructure and Property following 31 March 2023 valuations. A small number of disclosure adjustments had been made to the accounts. There were 2 recommendations which have now been actioned:

- Management should ensure that procedures are followed and that journals are authorised before posting to avoid segregation of duties risks.

- Management should ensure that IT user responsibilities are monitored and reviewed to avoid segregation of duties.

The Pension Services Financial Manager advised that the accounts had been approved by the Audit and Governance Committee in November.

Grant Patterson and William Howard from Grant Thornton provided a presentation on the final Annual Report and Statement of Accounts of the Pension Fund and audit results report for the 2022-23 financial year. The initial assessment had been undertaken and it was believed that an unqualified opinion would be given but this could not be finalised until the audit for the administering authority was completed.

Paul Wheeler congratulated the team on the audit results. It was

RESOLVED:

- (i) That the Pension Committee approve the Annual Report of the Pension Fund for the 2022-23 financial year;
- (ii) That the Pension Committee note the final Statement of Accounts and;
- (iii) That the Pension Committee note the findings of external audit documented in the ISA260.
- (iv) That the Pension Team be congratulated on the audit results.

187. **Northamptonshire Pension Committee 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.

188. **Exclusion of Press and Public**

The Chair moved that the remainder of the meeting be held in private:

RESOLVED:

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.

The meeting closed at 5.30 pm

Chair: _____

Date: _____