

**Northamptonshire Local Government  
Pension Scheme Local Pension Board**

**Annual Report  
2020-21**

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## **Chairman's Foreword**

It is my pleasure, as Chair of the Northamptonshire Local Pension Board, to introduce the Board's latest Annual Report. Local Pension Boards are established by statute and are tasked with assisting the Council by ensuring it is administering the scheme effectively and in compliance with the law.

The Board was established by Northamptonshire County Council in March 2015. Much of the Board's early period of operation was occupied with putting in place the policies and procedures necessary for the satisfactory operation of the Board according to statutory requirements and guidance.

This, the sixth report of the Board, focusses on the work the Board has undertaken over the past year. The Board has continued carrying out its functions, including reviewing policies and practices, as well as assessing the Authority's performance in line with established best practice. This is despite the inevitable disruption caused by the COVID-19 pandemic, as well as the formation of North Northamptonshire Council and West Northamptonshire Council, the subsequent elections and resulting changes to the membership of the Board.

Information about the Board, as well as details of the Board's work, is available on the Council's website. We want to hear from scheme members and employers about any issue or issues which may be causing them concern so please feel free to contact any member of the Board using the details set out in this report.

**TBC**

**Chair of the Northamptonshire Local Pension Board**

## **Background**

The Public Services Pensions Act 2013 requires all Public Service Pension Schemes to establish a Local Pension Board. The role of the Board is to assist the Administering Authority (West Northamptonshire Council) to:

- Secure compliance with the Local Government Pension Scheme (LGPS) regulations and other legislation relating to the governance and administration of the LGPS and also the requirements imposed by the Pensions Regulator in relation to the LGPS; and
- Ensure the effective and efficient governance and administration of the LGPS.

The Local Pension Board is expected to complement and enhance the Council's existing arrangements for administering the pension scheme. It does not replace the existing arrangements and it is not a decision making body. Rather, it is designed to act as a critical friend to the existing Pension Committee and Investment Sub-Committee.

The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 relating to the creation and ongoing operation of local pension boards were laid before Parliament on 28th January 2015 and came into force on 20th February 2015. These regulations required the Administering Authority (then Northamptonshire County Council) to agree the establishment of a Local Pension Board by 1st April 2015. The Northamptonshire Local Pension Board was established on 19 March 2015 and held its first meeting on 6 July 2015. The first meeting of the Board under West Northamptonshire Council was held on 1 July 2021.

## **Role and Remit**

The role and remit of the Local Pension Board is to assist the Council in its capacity as scheme administering authority by making sure it is administering the Local Government Pension Scheme effectively and efficiently and, in doing so, is complying with relevant laws and regulations. The Board does this by reviewing the policies and practices that the Council has adopted and checking them against the applicable regulations, as well as comparing them to examples of best practice elsewhere.

## **Governance Compliance Statement**

Each Administering Authority must have in place a Governance Compliance Statement that sets out whether it delegates its functions, or part of its functions under the Regulations to a committee, a sub-committee or an officer of the authority. Where the Administering Authority does delegate its functions, the statement must include:

- The terms, structure and operational procedures of the delegation;
- The frequency of any committee or sub-committee meetings;
- Whether such a committee or sub-committee includes representatives of scheme employers or members, and if so, whether those representatives have voting rights;
- The extent to which a delegation, or the absences of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying; and
- Details of the terms, structure and operational procedures relating to the Local Pension Board.

**Constitution and Membership**

A concise summary of the Local Pension Board’s terms of reference is set out in the Council’s constitution (see Part 4, Section 4.6, Paragraph 4 (Local Pension Board)):

[Constitution | West Northamptonshire Council \(westnorthants.gov.uk\)](http://westnorthants.gov.uk)

In order to ensure they are fully representative, all Local Pension Boards must include an equal number of employer and member representatives with a minimum requirement of no fewer than four in total. The Council has carried forward the previous Board structure of three employer representatives and three scheme member representatives. The term of appointment for all members is four years or until qualification for membership ceases.

Council determined that two of the employer representatives were to be appointed by North Northamptonshire and West Northamptonshire Councils directly, while all other members were appointed via an open and transparent selection process. Where such vacancies arise, an application pack containing the terms of reference and an outline of the knowledge, understanding and capacity requirements are made available and advertised to employers and members (as appropriate) in a way that is compliant with the requirements set out in the Local Government Pension Scheme (LGPS) – Guidance on the Creation and Operation of Local Pension Boards in England and Wales. Following receipt of applications from potential representatives, a short listing and interview process involving the Council’s Deputy Chief Finance Officer and Democratic Services Manager determined that the selected representatives had the required attributes to carry out the role effectively.

Due to resignations and retirements, there have been a number of changes to the membership of the Board since it was first constituted. The current membership of the Board is as set out below:

**Employer Representatives**

<b>Member</b>	<b>Role</b>	<b>Email</b>	<b>Appointed</b>
Julie Petrie	Assistant Director of HR & OD, Northampton	<a href="mailto:jpetrie@northamptonpartnershiphomes.org.uk">jpetrie@northamptonpartnershiphomes.org.uk</a>	February 2019

	Partnership Homes		
Councillor Ken Pritchard	West Northamptonshire Councillor	<a href="mailto:ken.pritchard@westnorthants.gov.uk">ken.pritchard@westnorthants.gov.uk</a>	May 2021
Vacancy	North Northamptonshire Councillor		

### Scheme Member Representatives

Member	Role	Email	Appointed
Alicia Bruce	Chief Finance Officer, Moulton College (active member)	<a href="mailto:Alicia.Bruce@moulton.ac.uk">Alicia.Bruce@moulton.ac.uk</a>	Sept 2021
Kev Standishday	Unison Branch Secretary and Registrar (active member)	<a href="mailto:Branch.Secretary@northantsunison.co.uk">Branch.Secretary@northantsunison.co.uk</a>	February 2019
Katy Downes	Head of Reward, Biffa Waste Services, previously NCC (deferred member)	<a href="mailto:katy.downes@icloud.com">katy.downes@icloud.com</a>	Sept 2021

The Chair and Vice-Chair of the Board are elected by the Board on annual basis. The current Chair is **TBC**.

The Board has met three times during the period of this Annual Report. The attendance record for members of the Board is detailed below:

<b>Date</b>	<b>Katy Downes</b>	<b>Alicia Bruce</b>	<b>Julie Petrie</b>	<b>Kev Standishday</b>	<b>Clr Ken Pritchard</b>	<b>Vacancy</b>
11 <sup>th</sup> March 2021	N/A	N/A	√	√	N/A	N/A
1 <sup>st</sup> July 2021*	N/A	N/A	A	√	√	N/A
4 <sup>th</sup> November 2021	TBC	TBC	TBC	TBC	TBC	TBC

\* Informal meeting

## **Work Programme 2020-21**

### **Pensions Administration Performance Report**

One of the core functions of the Local Pension Board is to ensure the effective and efficient governance and administration of the Scheme. The Board received information on and discussed the following areas:

- Details of key performance indicators (KPIs), whether they had been met and the reasons if they were not met;
- Details of employee and employer contributions timescales and targets;
- Breaches of the law;
- Internal Dispute Resolution Procedure; and
- Employer Admissions and Cessations.

Through these reports, the Board were able to develop an understanding of the authority's performance and the plans in place to improve this performance further. The Board have had the opportunity to challenge the Administering Authority's performance and received information about issues such as breaches of the law. Throughout the period covered by this report, the Board were satisfied that none of the breaches of the law (such as contribution payments paid outside of the statutory period) were considered to be material in nature.

The Board were pleased to note good progress against KPIs and were satisfied that any issues that had caused KPIs to be missed had been addressed. At their meeting in July 2021 the Board considered a single breach of the law in relation to the refund of pension contribution payments that were paid outside of the statutory period, which was considered to be non-material.

At their meeting in November 2021...

### **Business Plan updates**

It is considered good practice for the Northamptonshire Pension Fund to adopt a Business Plan and Medium-Term Strategy that:

- Sets out the objectives of the Council with regards to the management of the Fund;
- Documents the priorities and improvements to be implemented during the next three years to help achieve those objectives;
- Enables progress and performance to be monitored in relation to those priorities; and

- Provides a clear vision for the next three years.

The Board received regular updates on the Business Plan and Medium Term Strategy including regular updates on staffing and recruitment.

At their meeting in March 2021, the Board were updated on the impact of the COVID-19 pandemic and the resulting action plans. The Board were also updated on work that had been undertaken on cyber-resilience, IT systems and investment strategies.

At their meeting in July 2021, the Board received a full update of the Annual Business Plan and Medium Term Strategy 2021-22 to 2023-24, including:

- Procurement of services;
- Core governance activities;
- Scheme member and data projects;
- Scheme employer projects; and
- Investment related activities

At their meeting in November 2021...

### **Governance and Compliance**

It is a requirement for each Administering Authority to have in place a Governance Compliance Statement that sets out whether it delegates its functions, or part of its functions under the Regulations to a committee, a sub-committee or an officer of the authority. The Administering Authority must keep the policy and statement under review and, if revisions are made, it should be published and a copy must be sent to the Secretary of State for Housing, Communities and Local Government.

The Board received regular updates on Governance and Compliance including details of the following:

- Updates on the impact of the Government's decision to revoke the regulations that had introduced a public sector exit cap;
- Work by the Pensions Regulator to combat pension scams, including the intention of the Northamptonshire fund to sign up to this pledge;
- The Local Government Pension Scheme Advisory Board's Good Governance Review;
- The Pension Regulator's new Code of Practice; and
- The Pension Schemes Act 2021.

### **Risk Monitoring**

The Board receives regular updates on risk monitoring, including sight of the full risk register. The Board noted the intention to strengthen the management of risks around cyber security and pension scams. At their meeting in July 2021, the Board was advised of proposals to amend the risks in relation to climate change, cyber-crime, governance, conflicts of interest and the impact of data errors.

At their meeting in November 2021...

### **Administration Strategy Review**

The Board received an update on the review of the Administration Strategy. The Board noted a number of updates that had been made, including:

- Updates to the wording of the objectives within the strategy to ensure these reflect the latest version of the Fund objectives;
- Updates to KPIs where changes have been previously agreed by the Pension Committee;
- Removal of reference to service level agreements; and
- Updates to key activities to reflect current processes.

### **ACCESS pooling update**

The Board has received regular updates on the ACCESS asset pool, including reports and minutes of the ACCESS Joint Committee.

At their meeting in November 2021...

### **Northamptonshire Pension Fund Communications Plan**

The Communications Plan outlines the Fund's planned communication activities on a monthly basis for each stakeholder group. As well as setting out planned newsletters, surveys, employer training and web updates, the plan also highlights some of the Fund's key initiatives for the year. The Plan is prepared pursuant to Regulation 61 of the Local Government Pension Scheme Regulations 2013. The Board received an update at their meeting in July 2021.

**Work Programme 2021-22**

The Local Pension Board maintains a work programme which is considered at every meeting. Although a large part of the Board’s work is aligned with that of the decision making Pension Committee, now that the Board is established and members have completed a number of training activities it will begin to select topics for in-depth analysis with a view to making recommendations to the Pension Committee on a regular basis.

<p>Standing items:</p>	<ul style="list-style-type: none"> <li>● Update on progress in achieving key activities in the Fund’s Annual Business Plan and Medium Term Strategy.</li> <li>● Review of the Fund’s administrative performance (KPIs on core activities and timeliness of receipt of employer contributions).</li> <li>● Update on governance, compliance and legislative changes affecting the administration and management of the LGPS.</li> <li>● Update on progress made in the government’s LGPS asset pooling agenda.</li> <li>● Review of the Fund’s risk register and associated changes.</li> </ul>
<p>November 2021:</p>	<ul style="list-style-type: none"> <li>● Administration Report.</li> <li>● Business Plan Update.</li> <li>● Governance and Compliance Report.</li> <li>● Risk Monitoring.</li> <li>● Training Strategy.</li> <li>● ACCESS Update.</li> <li>● Data &amp; Asset Mapping review.</li> <li>● Admission Bodies, Scheme Employers and Bulk Transfer Policy.</li> </ul>
<p>January 2022</p>	<ul style="list-style-type: none"> <li>● Administration Report.</li> <li>● Business Plan Update.</li> <li>● Governance and Compliance Report.</li> <li>● Risk Monitoring.</li> <li>● Pension Fund Engagement.</li> <li>● Business Continuity Plan.</li> <li>● Responsible Investment Policy.</li> <li>● Anti-Fraud and Corruption Policy.</li> </ul>

April 2022	<ul style="list-style-type: none"><li>● Administration Report.</li><li>● Business Plan Update.</li><li>● Governance and Compliance Report.</li><li>● Risk Monitoring.</li><li>● Code of Practice Action Plan.</li><li>● Effectiveness Review of the Pension Fund Board.</li><li>● Risk Strategy.</li></ul>
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## **Key Officers supporting the Local Pension Board**

**Head of Pensions**

Mark Whitby  
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**Governance & Regulations  
Manager**

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