



Pensions Fund Committee

Minutes of a meeting of the Pensions Fund Committee held at on Monday 12 December 2022 at 4.00 pm.

Present	Councillor Malcolm Longley (Chair) Councillor Charles Morton (Vice-Chair) Councillor Graham Lawman Robert Austin Peter Borley-Cox Paul Wheeler
Apologies for Absence:	Councillor Phil Bignell Councillor Lloyd Bunday Councillor Paul Joyce Councillor Jamie Lane Councillor Peter Matten Councillor Cathrine Russell John Wignall
Also Present	Ciaran McLaughlin, Grant Thornton
Officers	Mark Whitby, Head of Pensions James Smith, Assistant Director - Finance (Strategy) Ben Barlow, Funding and Investment Manager Cory Blose, Employer Services and Systems Team Manager Fiona Coates, Pension Services Financial Manager Michelle Oakensen, Governance and Regulations Manager Maisie McInnes, Democratic Services Officer

120. **Declarations of Interest**

Rob Austin and Peter Borley-Cox declared a personal interest as members of LGPS. Councillor Graham Lawman disclosed a pecuniary interest as his wife is a deferred member of LGPS. He also declared a personal interest as a member of Wellingborough Town Council and a member of the board for St Christopher Hatton Academy, Oakway Academy, Ecton Village Academy, Victoria Primary Academy and Croyland Academy.

121. **Minutes**

The minutes of the previous meeting held on 12 December 2022 were agreed as a true and accurate record of the meeting.

122. **Chair's Announcements**

There were none.

123. **Action Log**

RESOLVED: That the Pension Fund Committee noted the verbal update that there were no outstanding actions on the action log.

124. **Administration Report**

At the Chair's invitation, the Governance and Regulations Manager summarised the report and highlighted the important updates were contained in section 5 of the report. In terms of KPIs, service performance had been consistently good with 4 amber ratings which the Governance and Regulations Manager explained was the result of resourcing and system issues creating a backlog of work. The Governance and Regulations Manager was pleased to report a continued 100% rate of employer contributions paid on time.

There were two breaches of the law to report, one that had been verbally reported at the last Pensions Fund Committee relating to the 23 annual allowance pension saving statements that were not issued by the statutory deadline. The second breach related to 3 refunds of contribution payments and no further action was being taken in relation to this breach as currently awaiting amended legislation regarding the removal of the 5 year period.

In relation to Internal Dispute Resolution Procedure cases, there were two disputes one related to incorrect conversion options through member self-service and the second was a non-payment of survivor's pension to a co-habiting partner due to ineligibility. The first case was at stage 2 awaiting adjudication and the second was awaiting adjudication at stage 1 both due around late December.

The Governance and Regulations Manager concluded her report and invited members to ask questions.

RESOLVED: The Pension Fund Committee noted the contents of the report.

125. **Governance and Compliance Report**

At the Chair's invitation, the Governance and Regulations Manager presented the report and explained that the Pensions Dashboards Regulations 2022 as discussed at the last Pensions Fund committee was debated in parliament on 15 November 2022. The DWP had responded to further consultations and agreed they would give pension schemes six months' notice before pensions dashboards become live. The Governance and Regulations Manager explained that this had increased from the previous 90-day notice that was proposed. A survey had been undertaken which found that 57% of people surveyed were likely to use pension dashboards. The dashboard ecosystem was currently in testing stages with any errors being flagged

early to ensure the experience for the rest of the pension industry is positive at the respective connection dates.

The Governance and Regulations Manager summarised the update with the Taskforce on Climate related Financial Disclosures (TCFD) and explained the Pension Fund had submitted their response with broad agreement to the proposals. In October the Pensions Regulator had published a revised enforcement policy which set out the revised enforcement policy, updated prosecution policy and new enforcement strategy. The Governance and Regulations Manager highlighted the full documents that were linked in section 5.3.1.5 of the report.

In terms of scam prevention, the Regulator had published a new strategy to combat pension scams which aimed to educate people and encourage prevention. The Governance and Regulations Manager explained that there was an increase in pension scams with the cost of living crisis and an increase in the number of people wanting to draw money from their pensions earlier. The team were consistently reviewing controls and would continue to be vigilant.

The Governance and Regulations Manager welcomed Paul Wheeler to the Pensions Fund committee and reported that the Committee vacancy had now been filled and highlighted the training plan in appendix A.

Members thanked the Governance and Regulations Manager for the update report and asked if the TCFD were expected to set a penalty for Pension Funds not hitting their target date. The Head of Pensions responded that there would not be a financial penalty and funds were expected to assess their targets continually.

RESOLVED: That the Pension Fund Committee noted the report.

126. **Business Plan Update Report**

The Head of Pensions presented the report and explained that the table on page 28 demonstrated the business plan activity and Red/Amber/Green (RAG) status. A few of the ratings had changed from amber to green following the previous meeting relating to implementing changes from the Code of Practice and best practice recommendations from the good governance review. The Head of Pensions explained the review of website and digital communication was amber whilst the team undertook activity updating the website and processing of undecided leaver records was also amber due to Business As Usual (BAU) resourcing in the team. The third and final area related to Guaranteed Minimum Pension Rectification; this was a niche specialism and one person was being reallocated to this project in the New Year. The Head of Pensions assured members that he had approached other pension funds about their progress on GMP rectification and they were in a similar situation.

Members discussed the report and resourcing needs of the pension fund. The Head of Pensions said this area was a pressure area and may need extra resourcing in the future but was being monitored. Members discussed the increase in leavers with the

current economic climate. The Head of Pensions commented that there was an increase in deferred beneficiaries with members taking their pension payments early.

RESOLVED: That the Pensions Fund committee noted the Business Plan update.

127. **Conflicts of Interest Policy**

At the Chair's invitation, the Governance and Regulations Manager presented the report and explained that the need for a conflicts of interest policy was identified as part of the good governance review that recommended that each fund should publish a fund-wide conflicts of interest policy in addition to the administering authority pecuniary interests. On 25 November members attended a training session delivered by AON explaining the policy further and giving an opportunity for members to raise questions. The policy requires members and key officers to make declarations annually and these declarations to be recorded on the Northamptonshire Pension Fund Conflicts of Interest Register. Members and key officers would be expected to raise any potential conflicts of interest at the appropriate time between official review points.

Members discussed the report.

RESOLVED: That the Pensions Fund committee approved the Northamptonshire Pension Fund Conflicts of Interest policy.

128. **Pension Fund Annual Report and Statement of Accounts 2021-22**

At the Chair's invitation, the Funding and Investment Manager presented the report and explained that page 64 highlighted the changes made to the draft such as the tweaked membership numbers. He explained the external audit process had gone well and it was the first year working with Grant Thornton on the ISA260. There was one misstatement relating to the 3-year valuation which Ciaran McLaughlin would explain further. He concluded that the report would be presented to the Audit and Governance Committee in January and would not be officially signed off until the sign-off of the Council's full accounts.

The Funding and Investment Manager then invited Ciaran McLaughlin GT, to comment. He explained that he was happy with the reporting position and the misstatement related to the level 3 valuation which occurred as sometimes the valuation can be received after the preparation of the statement of accounts.

The Chair thanked the Funding and Investment Manager and the Pension Services Financial Manager for their hard work.

RESOLVED: That the Pensions Fund committee:

- a) Approved the Annual Report of the Pension Fund for the 2021-22 financial year;**
- b) Noted the final Statement of Accounts and;**
- c) Noted the findings of external audit documented in the ISA260.**

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

The Governance and Regulations Manager presented the forward plan and explained that she aimed for the Code of Practice Action plan to come to the March meeting, but the team were still awaiting national guidance. The Governance and Regulations Manager agreed to keep the Chair updated with progress ahead of the next meeting.

RESOLVED: That members noted the Northamptonshire Pension Fund Forward Agenda plan.

130. **Exclusion of Press and Public**

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

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.

RESOLVED: Members agreed that the public and press were excluded from the remainder of the meeting and the Pension Fund Committee moved into private session.

134. **Urgent Business**

There were no items of urgent business.

The meeting closed at 5.00 pm

Chair: _____

Date: _____