

Minutes of the Norfolk Pension Fund Pensions Oversight Board meeting held via Teams on Tuesday 3 September 2024

Present:

Independent Chair

Brian Wigg

Employer Representatives

Sally Albrow Norfolk County Council

Scheme Member Representatives

Frances Crum Active / Deferred member

Peter Baker Pensioner Member

Also present

Glenn Cossey Director, Norfolk Pension Fund

Jo Quarterman Head of Governance, Norfolk Pension Fund

Eunice Walcott Governance Manager, Norfolk Pension Fund

Elaine Otway Business Support Officer, Norfolk Pension Fund

Charlotte Alexander Fund Accountant, Norfolk Pension Fund

Julie Baillie FFA Fund Actuary, Hymans Robertson

1. Welcome and Introduction

1.1 The Chair welcomed Pensions Oversight Board (POB) members to this virtual meeting of the Board.

2 Apologies for Absence

2.1 Apologies received from Liz Marsham.

3. Minutes and matters arising

3.1 POB agreed the minutes of the meeting on the 14 May 2024.

4. Declarations of Interest

4.1 There were no declarations of interest.

5 Board Membership Update

5.1 POB noted there are still two outstanding vacancies on the Board. Officers continue to work with Unison to support the local branch in advertising and filling the trade union seat.

5.2 There has been an expression of interest from an employer, therefore it is hoped to have some positive news soon.

6 **Items of Urgent Business**

6.1 No items were raised.

7 **Feedback from the Pensions Committee meeting on 11 June 2024 and items to be raised at the meeting on 10 September 2024**

7.1 POB noted that today's meeting would be the subject of a report to the Pensions Committee on 10 September 2024.

7.2 GC updated POB on the Pensions Committee agenda items discussed on 11 June 2024. In addition to regular standing items, the Pensions Committee agenda included:

- Draft Annual Accounts.
- a presentation from the Fund Actuary on the 2025 Valuation timeline in preparation for 31 March 2025 to Committee and the decision-making process.
- Procurement of investment management consultancy services.
- Affordable Housing - Pensions Committee supported the recommendation to make a commitment to affordable housing.

7.3 In addition to regular items, the agenda for the September 2024 meeting of Pensions Committee would cover:

- A presentation by Club Vita on population data which will assist with modelling liabilities on the Fund for the Valuation which feed through to the employer contribution rates.
- A presentation by CBRE the ACCESS Real Estate appointed manager.

7.4 In answer to a question about Club Vita presenting to POB at a later date, GC explained that Officers would check whether the committee presentation could be recorded, or a copy of the slides shared with POB members.

8 **LGPS Reform**

8.1 POB noted

- DLUCH is now MHCLG (Ministry for Housing, Communities and Local Government)
- The new minister with responsibility for the LGPS is Jim McMahon MP.
- A response had been sent to the previous Minister's letter in respect of progress made with investment pooling, and efficiencies and benefits of greater scale. The letter was shared with Committee and POB for comments prior to being sent.
- Pensions Review : the Terms of Reference were shared with POB members noting, that similar wording had been used by both the old and new governments.

8.2 In response to a question, GC explained that there was consideration of more pooling consolidation in the future and the potential for mergers of LGPS funds. These issues were addressed in our ministerial response.

8.3 The government have also been looking at the Canadian pension scheme model (the 'Maple 8').

- 8.4 POB were updated on other ongoing reforms including:
- McCloud – guidance is in place and the software is being updated to allow LGPS to perform the remedy calculations. We are now testing the software and calculations.
 - Dashboards – LGPS Funds should on board by October 2025. NPF considering contract variation to appoint an ISP provider to connect to the dashboard.

9 Norfolk Pension Fund Operational Update

- 9.1 POB received the latest Key Performance Indicators. Whilst a busy period for the team, performance had been maintained.
- 9.2 POB would like to pass on their appreciation to the Pensions Services teams, particularly for dealing with bereavements for scheme members with the sensitivity and understanding they do.
- 9.3 The Fund has been shortlisted for a number of awards, recognising the innovation, hard work and commitment of individuals and teams.
- 9.5 The Board again acknowledged the hard work staff are doing behind the scenes and extended their thanks.
- 9.7 Papers for the ACCESS Joint Committee meeting on 9 September (public and private) were circulated to POB members and Pensions Committee. GC updated the Board on the agenda items.

10. Operational Review: Preparing for the Triennial Valuation

- 10.1 Julie Baillie from Hymans Robertson delivered an introduction to the next triennial Valuation of the Norfolk Pension Fund and the timeline.
- 10.2 In answer to a question about salary strain and the impact for people retiring or newly retired and how they get paid, JB explained for leavers and pensions in payment, the pay award is considered.
- 10.3 The Board thanked Julie for her presentation.

11 Operational Review: Norfolk Pension Fund Annual Report and Accounts 23-24.

- 11.1 Charlotte Alexander (Pension Fund Accountant) provided an overview of the draft Annual Report and Accounts for 2023 – 2024, covering:
- 11.2
- the Annual Report & Accounts
 - new Annual Report Guidance for this year – all must and should criteria were met 100%
 - the timetable for presentation and approval
 - the accounting and audit process
- 11.3 In response to a question about audits and whether they are getting more complicated every year CA explained that financial systems get more complicated year on year. Increased complexity adds additional complications and review for the auditors.
- 11.4 In response to a question whether the diversity of investments adds to a greater part of the complexity, CA explained that our investment strategy supports our funding strategy.
- 11.5 The Board thanked Charlotte for her presentation.

12 **Operational Review: TPR General Code of Practice.**

- 12.1 Following the training received at the previous meeting about The Pension Regulators' new General Code of Practice (GCOP), POB received a report detailing the Funds' initial assessment of compliance with the new Code together with a summary and action plan.
- 12.2 To complete the assessment and reporting the Fund used a compliance assessment tool developed by Hymans Robertson.
- 12.3 To ease assessment and reporting, the Code has been broken down into 15 distinct sub-sets which are referred to as chapters. (There are no requirements for LGPS funds in the "Value for Scheme Members" chapter). Within each of these chapters, there are a number of different modules each with their own set of requirements. Each requirement has been assessed and a corresponding risk rating applied.
- 12.4 The requirements fall into one of three categories:
- Regulatory Requirement - these align with Legislation or Regulations which LGPS Funds must follow.
 - TPR Expectation - these align with what the Regulator would expect to see from LGPS Funds.
 - Best Practice - these are examples of what the Regulator believes should be in place for well governed Funds.
- 12.5 The initial assessment indicates an overall high level of compliance:

| Modules assessed | Fully Compliant | Partially compliant | Not compliant |
|------------------|-----------------|---------------------|---------------|
| 136 | 122 | 13 | 1 |

- 12.6 Areas where the Fund is not fully compliant were reviewed with the Board and the action plan discussed.
- 12.7 POB also noted that Officers received an in-person training session on GCOP at the team Meeting in July 2024. The training session on GCOP, presented virtually by Hymans Robertson in May 2024 to the Board was recorded and the recording is available for Pensions Committee, the Pensions Board and Officers.
- 12.8 POB congratulated Officers on the excellent work that has been done so far on the GCOP.
- 12.9 POB requested a further update at the November meeting and then regular updates going forward, maybe on an annual basis unless anything exceptional were needed. This would be considered further in November.

13 **Risk Management**

- 13.1 POB was updated on the Fund's risk management framework, including the heat map.
- 13.2 POB noted all Annual Benefit Statements were published online before the end August deadline.

14 **Internal Audit Reports**

- 14.1 POB received the latest internal audit report, relating to ACCESS Asset Transition, which received an 'Acceptable' audit opinion.

15 **Knowledge, Skills, and Training**

- 15.1 POB was reminded of the statutory requirement for training. All POB members have access to the LGPS Online Learning Academy (LOLA) and are invited to attend training and webinars alongside Pensions Committee, in line with the Norfolk Pension Fund training strategy.
- 15.2 POB were updated on the next National Knowledge Assessment, a link to which will be sent out during the Autumn via email.
- 15.3 Some Board Members attended the ACCESS investor Day and also the Employer Forum in July. Board members will also attend the 7 and 8 November training days with Committee and Officers. An email reminder after Committee will be sent to get confirmation of attendance in advance of booking hotels, travel etc.

16 **Forward Work Programme for the Pensions Oversight Board**

- 16.1
- TPR General Code of Practice and Cyber and data – ongoing monitoring and development will become part of the regular agenda.
 - Resilience planning and management and an overview of the LGPS Frameworks – to be included in November training.
 - Overview of payroll and Retired Member services
 - Governance Framework
 - Communications review
 - Pensions Dashboard
 - Good Governance
 - 2025 Valuation and support for employers

17 **Future Meeting dates**

- 17.1 The next meeting date is 5 November 2024 (this meeting will be in-person).

The meeting closed at 1pm