



**Minutes of the Norfolk Pension Fund Pensions Oversight Board meeting held on Wednesday 9 February 2022.**

**Present:**

**Chairman**

Brian Wigg

**Employer Representatives**

Howard Nelson  
Cllr Chris Walker

DNEAT  
Poringland Parish Council

**Scheme Member Representatives**

Frances Crum  
Peter Baker

Active / Deferred member  
Pensioner member

**Also Present**

Jo Quarterman

Business Development and Project  
Manager, Norfolk Pension Fund

Glenn Cossey  
Tim Shaw

Director of the Norfolk Pension Fund  
Committee Clerk

**1. Welcome and Introduction**

**1.1** The Chairman welcomed Frances Crum (Active / Deferred member) to her first meeting of this “virtual” Teams meeting of the Pensions Oversight Board.

**1.2** The Chairman suggested that the appointment of a Vice-Chairman should be an item on the agenda for the next meeting of the Board.

**2 Apologies for Absence**

**2.1** Apologies for absence were received from Sally Albrow and Rachel Farmer.

**2.2** The Chairman said that Sally Albrow was the new Norfolk County Council employer representative who was unable to attend today’s

meeting due to a prior appointment.

### **3. Minutes**

**3.1** The POB agreed the minutes of the meeting held on the 11 November 2021.

**3.2** It was noted from the minutes of the previous meeting that POB had asked for a new risk about smarter working and new ways of working to be added to the heat map, to show that the Norfolk Pension Fund was engaging successfully with scheme members and employers. This would be included when the heat map was next reported to Pensions Committee in March 2022.

### **4. Declarations of Interest**

**4.1** There were no declarations of interest.

### **5 Items of Urgent Business**

**5.1** There were no items of urgent business.

### **6 Feedback from the Pensions Committee meeting on 7 December 2021 and items to be raised at the 1 March 2022 meeting.**

**6.1** The POB noted that today's meeting would be the subject of a report to the Pensions Committee on 1 March 2022.

**6.2** The Pensions Committee on 7 December 2021 had received two presentations (both containing exempt information). The first was by Hymans Robertson about preparations for the 2022 triennial valuation, which was a key risk management exercise for the Fund and the subject of a presentation to today's POB meeting. The second presentation to the Pensions Committee had provided a training overview on private equity and debt investments and a review on the private market portfolio managed by Harbourvest.

**6.3** The March 2022 meeting of the Pensions Committee would receive an update on the Norfolk Pension Fund administration and operational budget and include the budget for POB which was an item on today's agenda.

### **7 LGPS Reform**

**7.1** POB received an update about the ongoing national reform programme and other issues within the LGPS.

**7.2** The presentation provided an update on the following regulatory reforms:

- £95k payment cap and reform - Consultation document

expected later this year.

- McCloud. - The final regulations were expected in Summer 2022 with guidance in Autumn/Winter 2022 and a remedy in Autumn 2023. The Norfolk Pension Fund was keeping scheme members and other stakeholders informed about developments. Mark Alexander was assisting Heywoods (the NPF software provider) in finding a software solution.
- TCFD, the next steps on pooling and banning of boycotts of foreign nations were all part of a “bumper consultation” planned for Summer 2022.
- The “bumper consultation” was also expected to cover issues arising from the Levelling up White Paper.
- Good Governance - with DLUHC
- TPR revised code - expected Summer
- Transfers
- Pensions Dashboard.

**7.3** The Chair pointed out that everyone within the LGPS was working together to find common solutions to issues that arose from the national reform programme.

## **8 Norfolk Pension Fund operational update (including ACCESS and future service delivery)**

**8.1** POB received an update on operational performance and issues, including latest performance data.

**8.2** POB noted the following with regard to the Key Performance Indicators (KPIs):

- In the early stages of the pandemic the Fund had to prioritise its activities which had negative implications for some KPIs.
- POB members asked for their thanks to be conveyed to Fund staff for the hard work they had put into ensuring that at this stage in the pandemic KPI figures were showing strongly improved delivery numbers, an indication of the resilience of Fund staff.

**8.3** The ACCESS update included:

- ACCESS- Last meeting of Joint Committee held on 6th December 2021 (agenda and papers previously circulated).
- Next Joint Committee on 7<sup>th</sup> March 2022
- Agenda being finalised but likely to include:
  - ASU budget—details in the Access agenda papers.
  - Latest draft of RI guidelines—these were circulated to POB members following a workshop.
  - Progress on illiquid assets-these were more challenging to pool than liquid assets

- Observer status on JC—Access had drafted a policy to consider at their next meeting, Norfolk would continue to support observer status.
- Operator procurement/Acquisition of Link Group-The Link Group was subject to a takeover by a service provider which could have implications to be considered at a future meeting.

**8.4** The update on Service Delivery and ‘Smarter Working’ post pandemic included:

- An outline of the work done since the report to the Pensions Committee in October 2021 and a brief update in December 2021.
- The work going forward included:
  - An increased focus on engagement and communication with the Fund’s stakeholders-customers, NPF teams and individuals.
  - An evaluation of the data collected from stakeholders to be reported to Pensions Committee in March 2022 to identify future options for service delivery and budget implications.
  - As a management team, thinking about service delivery improvement opportunities.

**8.5** In reply to questions, it was noted that the options/ timetable for a possible relocation of the NPF to new premises would form part of a report / overall action plan for future service delivery, to be taken to Pensions Committee in March 2022 and then reported to the Board. The relocation options would take account of dilapidation and other exist costs, should the Committee decide to move to new premises.

**9 Strategic Review Update**

**9.1** POB received an update on the implementation of the new Pensions Administration system and rollout to Employers and Scheme Members.

**9.2** The presentation to POB provided an update on the following strategic review workstreams:

- Employer Services—business case was shared with corporate HR at end of 2021 and they were assisting on job grading with staff consultation due in April 2022
- I-Connect and Member Self Service
- Governance.
- People, Development and Career Paths
- Management Team Structure.
- Strategic Engagement and Delivery-subject to the roll out of the new Oracle system operating across the work of the County Council.

**9.3** It was noted that the Strategic Review Programme would end in March 2022, with work on any outstanding individual workstreams continuing as part of the usual service planning process. A closure report would be presented to the Pensions Committee in June 2022.

## **10 Valuation Overview**

**10.1** The POB received a presentation by Rob Bilton of Hymans Robertson about preparations for the 2022 triennial valuation, which was a key risk management exercise for the Fund.

**10.2** Rob Bilton explained the following reasons why there was a valuation:

- Calculate employer contribution rates
- Compliance with legislation
- Analyse actual experience vs assumptions
- Review Funding Strategy Statement
- Part of continual 'health check' on fund solvency

**10.3** The outlook for 2022 was currently showing:

- Very strong asset returns.
- An improvement in past service funding positions.
- Past service was only a small part of the long-term objective
- Increase in risk of upward pressure on inflation (benefit increases)
- The net impact on contribution rates would vary by employer.

**10.4** Areas to explore in 2022:

- Did there need to be a change in funding and investment strategy?
- Were any changes needed to the investment strategy an employer group participated in?
- Did the current risk management framework need any changes?
- COVID-19: Immediate impact on mortality- Excess deaths were expected to have relatively small impact (<1%) on liabilities
- Detailed week-by-week plan in place to smoothly delivery of the valuation
- Future investment return expectations
- The impact of climate change on funding strategy

**10.5** In response to questions, it was noted that the engagement process with major employers would start in March 2022 and a detailed timetable was in place for the valuation to be completed by March 2023. Parish Councils would be involved in the full engagement process with all employers that took place in the Autumn. Academies were more exposed to increased costs from future benefit payments than were Councils and other established employers that had accrued longer-term returns.

## **11 Internal Audit Reports**

- 11.1** POB was informed that the latest published internal audit report by Norfolk Audit Services (circulated with the agenda) covered Receivables –contributions (AVC's, APC's) and Transfer Values.
- 11.2** The Panel noted the report and that the issues contained therein would be monitored on a quarterly basis.

## **12 Risk Management**

- 12.1** POB received the latest risk update and heat map that showed high risk movement in terms of governance, funding and investment and benefits administration. The heat map excluded the new risk from the previous POB meeting about smarter working and new ways of working which would be added to the heat map when it was next presented to the Pensions Committee.
- 12.2** The risk register was continually updated and reported regularly to POB and Pensions Committee. The latest heat map showed some downward movement in four high- risk areas that arose from the completion of tasks within the strategic review and a new staffing structure being put in place.

## **13 Pensions Oversight Board Budget**

- 13.1** It was noted that the POB budget would be included in the full operational budget for the Norfolk Pension Fund when it was presented to the Pensions Committee in March 2022.
- 13.2** The POB budget took account of:
- Recruitment and Establishment of new members
  - Initial and Ongoing Training
  - Member Allowances and Costs
  - Secretariat
  - Advice and Guidance
- 13.3** The latest position regarding the POB budget was noted.

## **14 Knowledge, Skills and Training**

- 14.1** POB received an update on:
- ESG workshop (well received by POB members)  
LGPS Online Learning Academy (LOLA) developed by Hymans
  - Webinars
  - Conferences

- Newsletters

**14.2** In reply to questions, it was noted that Pensions Committee would be asked on 1<sup>st</sup> March 2022 to agree to the publication of a statement on its Environmental, Social and Governance (ESG) Investment Strategy. Useful information on this subject could be found on the NPF website and the statement would be added. The statement would appear in the employer newsletter and employers encouraged to share it with their employees.

## **15 Forward Work Programme for the Pensions Oversight Board**

**15.1** The following issues taken from the 2021 work programme would continue in 2022:

- Pensions Admin Software -implications for scheme members and employers
- New Employer Services team
- Cybersecurity—this remained a very important issue for POB members
- Smarter Working

**15.2** The following issues would be added for 2022:

- Website demo
- Valuation planning overview
- Overview of budget setting process

## **16 Future Meeting dates**

**16.1** 24<sup>th</sup> May 2022  
6<sup>th</sup> Sept 2022  
8<sup>th</sup> November 2022  
28<sup>th</sup> Feb 2023

**Chair**