

minutes

Meeting NOTTINGHAMSHIRE LOCAL PENSION BOARD

Date Thursday 16 March 2023 at 10:30 am

membership

Employers

Councillor Reg Adair	Nottinghamshire County Council
Councillor Dr. Nayab Patel	Nottingham City Council
Becky Smeathers	Nottinghamshire Fire and Rescue

Members

Mark Heppenstall	Pension Scheme member
Thulani Molife (Chair)	Pension Scheme member

Also in Attendance

None

Officers in Attendance

Noel McMenamin	Democratic Services Officer
Jon Clewes	Team Manager, Pensions
Ciaran Guilfoyle	Investments Officer
Keith Palframan	Team Manager, Financial Services
John Raisin	– Advisor to the Board (via video link)
Sarah Stevenson	Group Manager, Business Service Centre

1. MINUTES

The minutes of the last meeting held on 29 September 2022 were agreed and signed by the Chairman.

2. APOLOGIES FOR ABSENCE

None.

3. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

None.

4. TRAINING PROPOSAL

John Raisin, Advisor to the Board, introduced the report which set out a Pensions Legislation and Pensions Governance training proposal for Board members.

Mr Raisin explained that the CIPFA Technical Knowledge and Skills Framework set out 8 core areas for which training for Local Pension Board members was required. These were:

- Pensions Legislation
- Pensions Governance
- Pensions Administration
- Pensions Accounting and Auditing Standards
- Financial Markets and products knowledge
- Procurement and relationship management
- Investment performance and risk management
- Actuarial methods, standards and practices

It was intended to deliver the training before the Board's next meeting in June 2023, and attendance was essential for those who had not previously attended Pensions Legislation and Pensions Governance training. The training would however be open to other Board members as it would cover recent developments in the Local Government Pension Scheme.

RESOLVED 2023/001

That a training session covering Pensions Legislation and Pensions Governance be convened before the Board's June 2023 meeting.

5. NOTTINGHAMSHIRE LOCAL PENSION BOARD LGPS UPDATE (FEBRUARY 2023)

John Raisin, Advisor to the Board, introduced the report which provided an update on the Nottinghamshire Local Government Pension Scheme for consideration and comment, covering the following areas:

- Developments relating to DLUHC;
- Climate reporting;
- Investment pooling;
- Pension fund accounts;
- Consultation on changes to the Scheme Advisory Board Cost Management process;
- Reclassification of the Further Education sector;
- LGPS Pensions Increase 2023.

In particular, Mr Raisin drew the Board's attention to the Chancellor of the Exchequer's position on investment pooling. While a timescale for consultation on investment pooling was not yet announced, it was indicated that LGPS funds would be asked to move faster and further on consolidating all listed assets by March 2025. Further detail would be set out in the consultation in due course.

Mr Raisin also advised that the LGPS lifetime allowance would be scrapped and that the annual allowance increased from £40,000 to £60,000.

During discussion, it was explained that the remedy for the McCloud judgement would have an impact on LGPS members, but that there were a number of unresolved issues still to be addressed before the full impact would be known. A Board member commented that it was difficult for LGPS members to get information on the impact of the McCloud Judgement on the Scheme. In response, it was explained that data was still being collected, and that central government had yet to provide a remedy for LGPS that could be communicated to members. It was also confirmed that both a national and local communications plan would be put in place in due course.

RESOLVED 2023/002

That the Board's consideration and comments on the Local Government Pension Scheme update be noted.

6. LGPS GOVERNANCE CONFERENCE 19-20 JANUARY 2023

Jon Clewes, Pension Administration Manager, presented his report, giving an overview of the topics covered at the Annual LGPS Conference, which took place on 19-20 January 2023. The main presentations at Conference covered:

- Good Complaint Handling;
- An update on the Scheme Advisory Board, which was preceded by an address from the Pensions Minister Lee Rowley MP;
- Challenges of the LGPS from member and employer perspectives from the University Council for Educational Administration;
- The benefits of the Pension Dashboard in ensuring compliance;
- Responsible Investment;
- A keynote address by the Pensions Regulator on key upcoming regulatory and policy challenges, including working to a single Code of Practice and Cyber security;
- A Fund Valuation 2022 session;
- An update on the Good Governance Project; and
- An Investment session exploring current uncertainty in respect of asset management performance.

Complaint handling was the first topic of discussion and this was presented by the Pension Ombudsman where, it was explained that the most common area of complaint was improper following of procedures around retirement on grounds of ill-health, according to the Pensions Ombudsman. The Nottinghamshire LGPS complaints performance will be covered in the Scheme's Annual Report.

There was also a presentation by John Richards Deputy chair to the Scheme Advisory Board who gave an update on the work the Board are undertaking and especially the support being provided to the LGPS. However it was pointed out that the level of scrutiny on the LGPS will grow.

There was also a presentation on the LGPS valuation and it was also proposed and agreed to invite the Fund actuaries Barnett Waddingham to a future Board meeting to explore valuation issues in more detail.

Another main presentation was a panel session highlighting the Pension Fund Administration Challenges, which highlighted the McCloud Project, and Pension Dashboards, and the significant role that Boards and Committees have in advancing improvements in Fund Matters. Significantly it was pointed out at conference there is a necessity of the Funds to pay correct pensions to members, and so there should be appropriate focus on administration matters at meetings. There was also a discussion from the floor on pay and gradings and the difficulties of recruitment and retention.

There was also a presentation on the recommendations of the Good Governance Project, and that there are ongoing discussions with the Government on the recommendations and the impact on funds.

RESOLVED 2023/003

That the report be noted.

7. LOCAL PENSION BOARD – RISK REGISTER

Jon Clewes, Pension Administration Manager, introduced the report which presented the current Pension Fund Risk Register. The Register was due for its Annual Review in April 2023 and would then be presented to the Nottinghamshire Pensions Committee for its consideration.

The following issues were raised and points made during discussion:

- Following on from work carried out on corporate risk with the Council's insurers Zurich, it had been agreed to engage with Zurich in conducting an Independent Review of the LGPS Risk Register. This would then form the basis for a full Review;
- It was confirmed that cyber security as well as wider business continuity and disaster recovery considerations would be reviewed as part of the Zurich review exercise. A draft report on cyber security was being prepared for consideration in due course;
- Assurance was given that the Risk Register review would take full account of the CIPFA guidance from 2018 on managing risk in the LGPS, including the principle that pension funds should have their own approach to risk and that the 7 areas of risk identified by CIPFA in respect of the LGPS would be considered;
- It was acknowledged that ensuring sufficient capacity/resourcing of the Scheme was a significant and ongoing challenge. An Internal Planning Day would take place shortly which would inform work with Civica to manage improvements to the system. The Pensions Team structure would also be reviewed to support staff retention through providing a clear pensions career pathway;

- It was explained that a new user-friendly Pensions website was being developed, and that a communications strategy was being worked up for future consideration by both Committee and Board later in 2023;
- The development of a Members portal was linked to work on being carried out on delivering monthly returns. The need for clear communications with those for whom English was not their first language was also highlighted.

RESOLVED 2023/004

That upcoming actions in relation to the issues contained within the Risk Strategy report, and the Board's comments on them, be noted.

8. WORK PROGRAMME

Members were given an update on possible items for future meetings of the Board.

Since the publication of the agenda, dates for meetings in 2023/24 had been confirmed, and items would be assigned to each meeting shortly. It was also agreed that there should be closer liaison between the Pensions Committee and the Local Pensions Board

RESOLVED 20223/005

That the work programme be approved.

The meeting concluded at 11.35am.

CHAIRMAN