Nottinghamshire County Council

Nottinghamshire Pension Fund Committee

Thursday, 19 April 2018 at 10:30

County Hall, West Bridgford, Nottingham, NG2 7QP

AGENDA

12	Work Programme	89 - 94

None

Notes

(1) Councillors are advised to contact their Research Officer for details of any Group Meetings which are planned for this meeting.

(2) Members of the public wishing to inspect "Background Papers" referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

Customer Services Centre 0300 500 80 80

(3) Persons making a declaration of interest should have regard to the Code of Conduct and the Council's Procedure Rules. Those declaring must indicate the nature of their interest and the reasons for the declaration.

Councillors or Officers requiring clarification on whether to make a declaration of interest are invited to contact Peter Barker (Tel. 0115 977 4416) or a colleague in Democratic Services prior to the meeting.

(4) Councillors are reminded that Committee and Sub-Committee papers, with the exception of those which contain Exempt or Confidential Information, may be recycled.

(5) This agenda and its associated reports are available to view online via an online calendar - http://www.nottinghamshire.gov.uk/dms/Meetings.aspx

Nottinghamshire County Council

minutes

Meeting NOTTINGHAMSHIRE PENSIONS FUND COMMITTEE

Date Thursday 8 March 2018 at 10.00 am

membership
Persons absent are marked with `A'

COUNCILLORS

Eric Kerry (Chairman)
Stephen Garner (Vice Chairman)

Reg Adair
Chris Barnfather
Sheila Place
Mike Pringle
Francis Purdue-Horan
Helen-Ann Smith
A - Parry Tsimbiridis

Nottingham City Council

A Councillor Graham Chapman
Councillor Anne Peach
A Councillor Sam Webster

Nottinghamshire Local Authorities' Association

A Councillor Richard Jackson – Broxtowe Borough Council
Kate Allsop – Executive Mayor Mansfield District Council

Trades Unions

Mr A Woodward
Mr C King

Scheduled Bodies

A Mrs Sue Reader

Pensioners

Vacancy
Mr T Needham

Independent Advisor

William Bourne

Officers in Attendance

Pete Barker	(Resources)
Jon Clewes	(Resources)
Keith Palframan	(Resources)
Tamsin Rabbitts	(Resources)
Sarah Stevenson	(Resources)
Marj Toward	(Resources)

1. MINUTES

That the minutes of the last meeting held on 11 January 2018 be signed as a true and correct record.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Tsimbiridis, Councillor Chapman, Councillor Webster and Mrs Reeder.

Committee wished Councillor Tsimbiridis a speedy recovery from his illness.

3. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

None.

4. WORKING PARTY

Mr Palframan introduced the report and on a motion by the Chairman, duly seconded it was:-

RESOLVED 2018/010

1. That the intention of Nottinghamshire Pension Fund to work towards an RI policy that is consistent to that adopted by LGPS Central be approved.

2. That the asset allocation benchmarks be approved.

3. That the proposed amendments to the ISS as set out in Appendix B to the report be approved.

5. **LOCAL GOVERNMENT PENSION SCHEME - GUARANTEED MINIMUM PENSION RECONCILIATION EXERCISE WITH HMRC**

Mr Clewes introduced the report and on a motion by the chairman, duly seconded it was:

RESOLVED 2018/011

1. That the creation of the GMP Reconciliation Project and the allocation of the required resources as set out in the body of the report be approved to ensure the Fund is able to meet its statutory requirements and the HMRC deadline for GMP data reconciliation.

2. That Committee receive regular update reports as set out in the body of the report.

6. **WORK PROGRAMME**

Mr Palframan introduced the report. The Chair requested that the dates for future meetings be forwarded to members of the Committee.

On a motion by the Chairman, duly seconded it was:-

RESOLVED 2018/012

That no further actions are required as a direct result of the contents of the report.

7. **FUND VALUATION AND PERFORMANCE**

Mrs Rabbitts introduced the report and on a motion by the chairman, duly seconded it was:

RESOLVED 2018/013

That no further actions are required as a direct result of the contents of the report.

8. **EXCLUSION OF THE PUBLIC**

RESOLVED: 2018/014

That the public be excluded for the remainder of the meeting on the grounds that the discussions are likely to involve the disclosure of exempt information as described in paragraph 3 of the Local Government (Access to Information) (Variation) Order 2006 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

And that Mr William Bourne, the Independent Advisor, be permitted to stay in the meeting during the exempt items

EXEMPT INFORMATION ITEMS

9. **FUND VALUATION AND PERFORMANCE**

On a motion by the Chairman, duly seconded it was:-

RESOLVED: 2018/015

That no further actions are required as a direct result of the contents of the report.

10. REPORT OF THE INDEPENDENT ADVISOR

Mr Bourne gave an update on issues that affect the pensions investments of Nottinghamshire

RESOLVED: 2018/016

That no further actions are required as a direct result of the contents of the report.

13. FUND MANAGERS' REPORTS

Lyndon Bolton from Schroders was attending his last meeting of the Committee as he was retiring. Committee thanked Lyndon for all his hard work over the years and wished him a long and happy retirement.

RESOLVED: 2018/017

That no further actions are required as a direct result of the contents of the fund managers' reports received from Aberdeen Standard Investments, Schroders Investment Management, and Kames Capital.

The meeting concluded at 1.17pm

CHAIRMAN

Nottinghamshire County Council

Report to Pension Fund Committee

19 April 2018

Agenda Item: 4

REPORT OF REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT & IMPROVEMENT

REVISION OF FUND STRATEGIES

Purpose of the Report

1. To propose revised versions of the Funding Strategy Statement, Investment Strategy Statement and Governance Compliance Statement.

Information

2. Under governing regulations, the Fund is required to 'prepare, maintain and publish' a number of strategy statements. These statements must then be kept under review and, if necessary, revised.

3. According to Regulation 58 of the Local Government Pension Scheme Regulations 2013, an administering authority must publish a Funding Strategy Statement (FSS). This was revised last year following the latest triennial actuarial valuation. This statement was based on a version prepared by the Fund Actuary. The Statement has been reviewed and has only minor amendments reflecting the restructure of Pension Fund Committee last year. The revised version is attached as Appendix A.

4. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the "Investment Regulations") govern the management of the pension fund and the investment of fund money. According to Regulation 7 of the Investment Regulations an administering authority must formulate an investment strategy which must be in accordance with guidance issued from time to time by the Secretary of State. It must publish a statement of its investment strategy and must review and if necessary revise its investment strategy at least every 3 years.

5. Some amendments were discussed at the January Working Party which were approved at the last committee meeting. A review has been done of the Strategy as a whole which has resulted in some minor amendments, largely to update for progress in setting up LGPS Central. The updated Investment Strategy Statement is attached as Appendix B.

6. The Local Government Pension Scheme (Administration) Regulations 2013 require publication of a governance compliance statement. This statement has been updated to reflect the change in Committee governance last year. The revised Statement is attached as Appendix C.

Other Options Considered

7. It is a requirement that strategy statements are reviewed, so no other options were considered.

Reason/s for Recommendation/s

8. The revised policies reflect the current governance of the Pension Fund and agreed amendments.

Statutory and Policy Implications

9. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

1. That the revised Funding Strategy Statement, Investment Strategy Statement and Governance Compliance Statement be approved.

2. That the Committee reviews its approach to training.

Tamsin Rabbitts
Senior Accountant – Pensions & Treasury Management

For any enquiries about this report please contact: Tamsin Rabbitts

Constitutional Comments (SLB 03/04/2018])

10. Nottinghamshire Pension Fund Committee is the appropriate body to consider the content of this report.

Financial Comments (TMR 27/03/2018)

11. There are no direct financial implications arising from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All

Nottinghamshire County Council

Nottinghamshire Pension Fund

April 2018

FUNDING STRATEGY STATEMENT

Introduction

1. This is the Funding Strategy Statement (FSS) for the Nottinghamshire County Council Pension Fund. It has been prepared in accordance with Regulation 58 of the Local Government Pension Scheme Regulations 2013 ("the Regulations") and describes Nottinghamshire County Council's strategy, in its capacity as Administering Authority, for the funding of the Nottinghamshire County Council Pension Fund ("the Fund").

2. This statement has regard to the guidance set out in the document "Preparing and Maintaining a Funding Strategy Statement" published by CIPFA in February 2016. The statement also has regard to the Investment Strategy Statement published by the Administering Authority in March 2017.

3. The Statement describes a single strategy for the Fund as a whole. The Fund Actuary, Barnett Waddingham LLP, has been consulted on the contents of this Statement.

Purpose of the Funding Strategy Statement

4. The purpose of this Funding Strategy Statement is to explain the funding objectives of the Fund and in particular:

- How the costs of the benefits provided under the Local Government Pension Scheme (the "Scheme") are met through the Fund
- The objectives in setting employer contribution rates
- The funding strategy that is adopted to meet these objectives.

Aims and Purpose of the Fund

5. The aims of the Fund are to:

- Manage employers' liabilities effectively and ensure that sufficient resources are available to meet all liabilities as they fall due
- Achieve and maintain Fund solvency and long-term cost efficiency at reasonable cost to taxpayers, scheduled, resolution and admitted bodies, and enable contribution rates to be kept as nearly constant as possible where practical
- Seek returns on investment within reasonable risk parameters

6. The purpose of the Fund is to:

- Pay pensions, lump sums and other benefits provided under the Regulations
- Meet the costs associated in administering the Fund
- Receive contributions, transfer values and investment income.

Key Parties

7. The key parties involved in the funding process and their responsibilities are as follows.

The Administering Authority

8. The Administering Authority for the Pension Fund is Nottinghamshire County Council. The main responsibilities of the Administering Authority are to:

- Collect employee and employer contributions
- Invest the Fund's assets, while ensuring cash is available to meet liabilities as and when they fall due
- Pay the benefits due to Scheme members
- Take measures to safeguard the Fund against the consequences of employer default
- Manage the actuarial valuation process in conjunction with the Fund Actuary, and enable the Local Pensions Board to review the valuation process as they see fit
- Prepare and maintain this FSS and the Investment Strategy Statement (ISS) after consultation with other interested parties as appropriate
- Monitor all aspects of the Fund's performance and funding
- Effectively manage any potential conflicts of interest arising from its dual role as both Administering Authority and Scheme employer

Scheme Employers

9. In addition to the Administering Authority, a number of other Scheme Employers, including Admission Bodies, participate in the Fund. The responsibilities of each Scheme Employer that participates in the Fund, including the Administering Authority, are to:

- Collect employee contributions and pay these together with their own employer contributions certified by the Fund Actuary to the Administering Authority within the statutory timescales, including any exit payments on ceasing participation in the Fund
- Notify the Administering Authority of any new Scheme members and any other membership changes promptly
- Develop a policy on certain discretions and exercise those discretions as permitted under the Regulations
- Meet the costs of any augmentations or other additional costs in accordance with agreed policies and procedures
- Notify the Administering Authority of significant changes in the employer's structure or membership.

Fund Actuary

10. The Fund Actuary for the Pension Fund is Barnett Waddingham LLP. The main responsibilities of the Fund Actuary are to:

- Advise interested parties on funding strategy and completion of actuarial valuations in accordance with the FSS and the Regulations, and in particular, set contribution rates in order to secure the Fund's solvency and long-term cost efficiency, having regard to the desirability of maintaining as nearly constant a primary contribution rate as possible.
- Advise on other actuarial matters affecting the financial position of the Fund, including bulk transfers, employer exit valuations, etc.

- Ensure that the administering authority is aware of any professional guidance or other professional requirements which may be of relevance to his or her role in advising the Fund.

Solvency Issues, Target Funding Levels and Long-term Cost Efficiency

Funding Objectives

11. The funding objectives are to:
- Set levels of employer contribution that will build up a fund of assets that will be sufficient to meet all future benefit payments from the Fund as they fall due
- Ensure the solvency and long-term cost efficiency of the Fund, while having regard to the desirability of maintaining as nearly constant employer contribution rates where practical
- Set contributions to target a 100% funding level over an appropriate time period using appropriate actuarial assumptions

Funding Strategy

12. The factors affecting the Fund's finances are constantly changing, so it is necessary for its financial position and the contributions payable to be reviewed from time to time by means of an actuarial valuation to check that the funding objectives are being met.

13. The actuarial valuation involves a projection of future cash flows to and from the Fund. The main purpose of the valuation is to determine the level of employers' contributions that should be paid to ensure that the existing assets and future contributions will be sufficient to meet all future benefit payments from the Fund.

14. The last actuarial valuation was carried out as at 31 March 2016 with the assets of the Fund found to be 87% of the accrued liabilities of the Fund.

Funding Method

15. The key objective in determining employer's contribution rates is to establish a funding target and then set levels of employer contribution to meet that target over an agreed period.

16. The funding target is to have sufficient assets in the Fund to meet the accrued liabilities for each employer in the Fund. The funding target may, however, depend on certain employer circumstances and in particular, whether an employer is an "open" employer – one which allows new staff access to the Fund, or a "closed" employer which no longer permits new staff access to the Fund. The expected period of participation by an employer in the Fund may also affect the chosen funding target.

17. For open employers, the actuarial funding method that is adopted is known as the Projected Unit Funding Method which considers separately the benefits in respect of service completed before the valuation date ("past service") and benefits in respect of service expected to be completed after the valuation date ("future service"). This approach focuses on:
- The past service funding level of the Fund. This is the ratio of accumulated assets to liabilities in respect of past service. It makes allowance for future increases to members' pay for pensions in payment. A funding level in excess of 100 per cent indicates a

surplus of assets over liabilities; while a funding level of less than 100 per cent indicates a deficit
- The future service funding rate which is the level of contributions required from the individual employers which, in combination with employee contributions, is expected to support the cost of benefits accruing in future.

18. The key feature of this method is that, in assessing the future service cost, the contribution rate represents the cost of one year's benefit accrual.

19. For closed employers, the funding method adopted is known as the Attained Age Method. The key difference between this method and the Projected Unit Method is that the Attained Age Method assesses the average cost of the benefits that will accrue over the remaining expected working lifetime of active members.

Valuation Assumptions and Funding Model

20. In completing the actuarial valuation it is necessary to formulate assumptions about the factors affecting the Fund's future finances such as inflation, pay increases, investment returns, rates of mortality, early retirement and staff turnover.

21. The assumptions adopted at the valuation can therefore be considered as:
- The statistical assumptions which are essentially estimates of the likelihood of benefits and contributions being paid
- The financial assumptions which will determine the estimates of the amount of benefits and contributions payable and their current or present value. The base market statistics used for the financial assumptions are smoothed around the valuation date so that the market conditions used are the average of the daily observations over the three months before and the three months after the valuation date.

22. A summary of the key assumptions is included in the following table and can be found in the actuarial valuation report as at 31 March 2016. Further details regarding the derivation of these assumptions can be found in the Fund Actuary's initial results and assumptions advice to the Fund dated 5 October 2016.

Assumption	**Derivation**	**Value at 31 March 2016**
Future Price Inflation (RPI)	Smoothed 20 year point on the Bank of England implied Retail Price Index inflation curve as at 31 March 2016	3.3% p.a.
Future Price Inflation (CPI)	RPI less 0.9% per annum to reflect the differences in the indices	2.4% p.a.
Salary increases	Assumed to be in line with CPI until 31 March 2020 and then CPI plus 1.5% p.a. thereafter	2.4% p.a. until 31 March 2020 then 3.9% p.a.

Discount rate	Based on the long-term investment strategy of the Fund, with deductions for expenses and prudence	5.4% p.a.
Post-retirement mortality	S2PA tables with a multiplier of 100% for males and 90% for females, projected into the future with the 2015 CMI Model with a long-term rate of improvement of 1.5% p.a.	n/a

Future Investment Returns/Discount Rate

23. To determine the value of accrued liabilities and derive future contribution requirements it is necessary to discount future payments to and from the Fund to present day values. The discount rate that is adopted will depend on the funding target adopted for each employer.

24. For open employers, the discount rate that is applied to all projected liabilities reflects a prudent estimate of the rate of investment return that is expected to be earned from the underlying investment strategy by considering average market yields in the six months straddling the valuation date. The discount rate so determined may be referred to as the "ongoing" discount rate.

25. For closed employers, an adjustment may be made to the discount rate in relation to the remaining liabilities, once all active members are assumed to have retired if at that time (the projected "termination date"), the employer becomes an exiting employer under Regulation 64. The Fund Actuary may incorporate such an adjustment after consultation with the Administering Authority.

26. The adjustment to the discount rate for closed employers is to set a higher funding target at the projected termination date, so that there are sufficient assets to fund the remaining liabilities on a "minimum risk" rather than on an ongoing basis. The aim is to minimise the risk of deficits arising after the termination date.

Asset Valuation

27. For the purposes of the valuation, the asset value used is the market value of the accumulated Fund at the valuation date adjusted to reflect average market conditions during the six months straddling the valuation date.

Deficit Recovery/Surplus Amortisation Periods

28. Whilst one of the funding objectives is to build up sufficient assets to meet the cost of benefits as they accrue, it is recognised that at any particular point in time, the value of the accumulated assets will be different from the value of accrued liabilities, depending on how the

actual experience of the Fund differs from the actuarial assumptions. Accordingly the Fund will normally either be in surplus or in deficit.

29. Where the actuarial valuation reveals a deficit in respect to a particular employer then the levels of required employer contributions will include an adjustment to fund the deficit over a specified period. Each employer's recovery period is considered individually, unless they are part of a pool (see Pooling of Individual Employers). Past service deficit contributions are generally paid as monetary amounts but may be paid as a percentage of payroll, subject to the Administering Authority agreeing this approach.

30. At the 2016 actuarial valuation, no employers' deficit recovery periods were greater than 20 years.

31. Where an employer's funding position has improved in the inter-valuation period, but the employer is still in deficit, the employer may be required to maintain the previous total contribution level so that the expected deficit recovery period reduces.

32. Incremental phasing-in (stepping) of contribution increases may be considered for some employer types where proposed increases are large, with target rates to be achieved in no later than 3 years. Where stepping is agreed to, employers are instructed that the difference between the employer contributions with stepping and the employer contributions without stepping will need to be repaid later in the recovery period.

33. Employers in surplus on their funding method will generally pay the future service rate although the surplus may be released back to the employer through an adjustment to their contribution rate. The Fund Actuary will consider each employer separately when deciding whether surplus amortisation is appropriate.

Pooling of Individual Employers

34. The general policy of the Fund is that each individual employer should be responsible for the costs of providing pensions for its own employees who participate in the Fund. Accordingly, contribution rates are set for individual employers to reflect their own particular circumstances.

35. However, certain groups of individual employers are pooled for the purposes of determining contribution rates to recognise common characteristics or where the number of Scheme members is small.

36. The main purpose of pooling is to produce more stable employer contribution levels in the longer term whilst recognising that ultimately there will be some level of cross-subsidy of pension cost amongst pooled employers.

37. Currently, other than Scheme employers that are already legally connected, there are the following pools:

- Small Scheduled Bodies pool
- Grouped Admission Bodies pool
- Fund Academies pool

Cessation Valuations

38. On the cessation of an employer's participation in the Scheme, the Fund Actuary will be asked to make a termination assessment, as required by the Regulations. Any deficit in the Fund in respect of the employer will be due to the Fund as a termination contribution, unless it is agreed by the Administering Authority and the other parties involved that the assets and liabilities relating to the employer will transfer within the Fund to another participating employer.

39. In assessing the financial position on termination, the Fund Actuary may adopt a discount rate based on gilt yields and adopt different assumptions from those used at the previous valuation in order to protect the other employers in the Fund from having to fund any future deficits which may arise from the liabilities that will remain in the Fund.

Links to Investment Policy

40. The investment strategy and the funding strategy are linked by the strategic asset allocation of the Fund, which has been set following advice from the Fund's investment adviser and with regard, amongst other considerations, the maturity profile of the Fund.

41. The actuarial valuation involves a projection of future cashflows from the Fund and these cashflows are discounted to the current time, using the discount rate, to obtain a single figure for the value of the past service liabilities. This figure is the amount of money, which if invested now, would be sufficient to make those payments in future provided that the assumptions made during the valuation were borne out in practice (in particular, if the future investment return was equal to the discount rate used).

42. The discount rate is based on the expected long-term future investment return, using the long-term strategic allocation set out in the Investment Strategy Statement, with a deduction for expenses and for prudence.

Risks and Counter Measures

43. Whilst the funding strategy attempts to satisfy the funding objectives of ensuring sufficient assets to meet pension liabilities and stable levels of employer contributions, it is recognised that there are risks that may impact on the funding strategy and hence the ability of the strategy to meet the funding objectives.

44. The major risks to the funding strategy are financial, although there are other external factors including demographic risks, regulatory risks and governance risks.

Financial Risks

45. The main financial risk is that the actual investment strategy fails to produce the expected rate of investment return (in real terms) that underlies the funding strategy. This could be due to a number of factors, including market returns being less than expected and/or the fund managers who are employed to implement the chosen investment strategy failing to achieve their performance targets.

46. The valuation results are most sensitive to the real discount rate. Broadly speaking an increase/decrease of 0.1% per annum in the real discount rate will decrease/increase the valuation of the liabilities by 2%, and decrease/increase the required employer contribution by around 1% of payroll.

47. However, the Pension Fund Committee regularly monitors the investment returns achieved by the fund managers and receives advice from officers and independent advisers on investment strategy.

48. The Committee may also seek advice from the Fund Actuary on valuation related matters. In addition, the Fund Actuary may provide funding updates between valuations to check whether the funding strategy continues to meet the funding objectives.

Demographic Risks

49. Allowance is made in the funding strategy via the actuarial assumptions for a continuing improvement in life expectancy. However, the main demographic risk to the funding strategy is that it might underestimate the continuing improvement in longevity. For example, an increase of one year to life expectancy of all members in the Fund will reduce the funding level by approximately 1%.

50. The actual mortality of pensioners in the Fund is monitored by the Fund Actuary at each actuarial valuation and assumptions are kept under review.

51. The liabilities of the Fund can also increase by more than has been planned as a result of early retirements. However, the Administering Authority monitors the incidence of early retirements and procedures are in place that require individual employers to pay additional amounts into the Fund to meet any additional costs arising from early retirements.

Regulatory Risks

52. The benefits provided by the Scheme and employee contribution levels are set out in Regulations determined by central Government. Regulations also place certain limitations on how the assets can be invested. The tax status of the invested assets is also determined by the Government.

53. The funding strategy is therefore exposed to the risks of changes in the Regulations governing the Scheme and changes to the tax regime which may affect the cost to individual employers participating in the Scheme.

54. However, the Administering Authority participates in any consultation process of any proposed changes in Regulations and seeks advice from the Fund Actuary on the financial implications of any proposed changes.

Employer Risks

55. Many different employers participate in the Fund. Accordingly, it is recognised that a number of employer-specific events could impact on the funding strategy including:

- Structural changes in an individual employer’s membership
- An individual employer deciding to close the Scheme to new employees
- An employer ceasing to exist without having fully funded their pension liabilities.

56. The Administering Authority monitors the position of employers participating in the Fund, particularly those which may be susceptible to the events outlined, and takes advice from the Fund Actuary when required.
57. In addition, the Administering Authority keeps in close touch with all individual employers participating in the Fund to ensure that, as Administering Authority, it has the most up to date information available on individual employer situations. It also keeps individual employers briefed on funding and related issues.

Monitoring and Review

58. This FSS is reviewed formally, in consultation with the key parties as appropriate, at least every three years to tie in with the triennial actuarial valuation process.

59. The Administering Authority also monitors the financial position of the Fund between actuarial valuations and may review the FSS more frequently if necessary.

Nottinghamshire County Council

Nottinghamshire Pension Fund

April 2018

INVESTMENT STRATEGY STATEMENT

Introduction

1. The County Council is an administering authority of the Local Government Pension Scheme (the "Scheme") as specified by the Local Government Pension Scheme Regulations 2013 (the LGPS Regulations). It is required by Regulation 53 of the LGPS Regulations to maintain a pension fund for the Scheme.

2. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the "Investment Regulations") govern the management of the pension fund and the investment of fund money. According to Regulation 7 of the Investment Regulations an administering authority must formulate an investment strategy which must be in accordance with guidance issued from time to time by the Secretary of State. It must publish a statement of its investment strategy and must review and if necessary revise its investment strategy at least every 3 years.

3. The investment strategy statement must include:
    a) a requirement to invest fund money in a wide variety of investments
    b) the authority's assessment of the suitability of particular investments and types of investments
    c) the authority's approach to risk, including the ways in which risks are to be assessed and managed
    d) the authority's approach to pooling investments, including the use of collective investment vehicles and shared services
    e) the authority's policy on how social, environmental and corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments
    f) the authority's policy on the exercise of the rights (including voting rights) attaching to investments.

Purpose and Principles

4. The purpose of the Fund is to:
    - Pay pensions, lump sums and other benefits provided under the LGPS Regulations
    - Meet the costs associated in administering the Fund
    - Receive contributions, transfer values and investment income
    - Invest any Fund money not needed immediately to make payments.

5. The following principles underpin the Fund's investment activity:
    - The Fund will aim to be sufficient to meet all its obligations on a continuing basis
    - The Fund will be invested in a diversified range of assets

- Proper advice on diversification and the suitability of types of investment will be obtained and considered
- The Fund will aim to conduct its business and to use its influence in a long term responsible way.

Key Parties

6. The key parties involved in the Fund's investments and their responsibilities are as follows.

The Administering Authority

7. The Administering Authority for the Pension Fund is Nottinghamshire County Council. Under the terms of the Council's constitution, the functions of the Council as administering authority are delegated to the Nottinghamshire Pension Fund Committee. The full governance arrangements of the Fund are detailed in the Fund's Governance Compliance Statement.

8. The members of the Committee are not trustees (as the LGPS is a statutory scheme) but do have fiduciary duties towards the scheme members and employers.

Committee Members

9. The Committee Members recognise their full responsibility for the oversight of the Fund, and operate to a Code of Conduct. They shall:

   - Determine the overall asset allocation and investment strategy of the Fund
   - Determine the type of investment management to be used and appoint and dismiss fund managers
   - Receive regular reports on performance from the main fund managers and question them regularly on their performance
   - Receive independent reports on the performance of fund managers on a regular basis
   - Be encouraged to receive suitable training to help them discharge their responsibilities and attend such training courses, conferences and meetings that deliver value for money to the Fund.

Chief Finance Officer

10. Under the Council's constitution, the Service Director (Finance, Procurement & Improvement) is designated the Council's Chief Finance Officer (also known as the Section 151 Officer). The Group Manager (Financial Management) is the deputy Section 151 Officer. Financial Regulations specify that the Section 151 Officer is responsible for arranging the investment of the Pension Fund. Operational matters falling under this responsibility are exercised by the Senior Accountant (Pensions & Treasury Management).

11. Authorised signatories for operational matters relating to pension fund investments are:
    - Service Director (Finance, Procurement & Improvement)
    - Group Manager (Financial Strategy & Compliance)
    - Group Manager (Financial Management)
    - Senior Accountant (Pensions & Treasury Management)

- Investments Officer

12. Representatives of the Service Director (Finance, Procurement & Improvement) provide advice to Committee members and attend meetings of the Pension Fund Committee as required.

Independent Adviser

13. The Fund has an Independent Adviser who attends meetings of the Pension Fund Committee and Pensions Working Party as required. This is considered best practice in accordance with the requirements for "proper advice" in the governing regulations.

14. The independent adviser is engaged to provide advice on:
    - the objectives and policies of the fund
    - investment strategy and asset allocation
    - the fund's approach to responsible investment
    - choice of benchmarks
    - investment management methods and structures
    - choice of managers and external specialists
    - activity and performance of investment managers and the fund
    - the risks involved with existing or proposed investments
    - the Fund's current property portfolio and any proposals for purchases, sales, improvement or development
    - new developments and opportunities in investment theory and practice.

LGPS Central

15. LGPS Central is the asset pool in which the Nottinghamshire Fund is participating in order to meet the government's criteria for investment reform issued in November 2015. The County Council jointly owns LGPS Central Ltd, the operating company which has FCA regulation and manages collective investment vehicles on behalf of the participating funds.

Asset Allocation

16. It is widely recognised that asset allocation is the most important factor in driving long term investment returns. The balance between different asset classes depends largely on the expected risk/return profile for each asset class and the target return for the Fund. It is also recognised that investment returns play a significant role in defraying the cost of providing pensions by mitigating the contributions required from employers.

17. Employers' contributions are determined as part of the triennial actuarial valuation of the Fund. The actuarial valuation involves a projection of future cash flows to and from the Fund and its main purpose is to determine the level of employers' contributions that should ensure that the existing assets and future contributions will be sufficient to meet all future benefit payments from the Fund. This is the main funding objective as set out in the Funding Strategy Statement.

18. The Fund Actuary estimates the future cash flows which will be paid from the Fund for the benefits relating to service up to the valuation date. They then discount these projected cash

flows using the discount rate to get a single figure for the value of the past service liabilities. This figure is the amount of money which, if invested now, would be sufficient to make these payments in future provided that the future investment return was equal to at least the discount rate used.

19. The discount rate is based on the expected long term future investment returns from various asset classes. At the latest valuation, these were as follows:

Asset Class	**Expected Return (pa)**
Equities	7.4%
Gilts	2.4%
Other Bonds	3.3%
Property	5.9%
Cash	1.8%
Discount Rate	**5.4%**
Fund Target Return	**6.0%**

20. At the latest valuation, the Fund was assessed to have a deficit of £621m and a funding level of 87%. Deficit recovery contributions have been certified for the majority of employers but any returns in excess of the discount rate will help to recover the Fund to a fully funded position. The Fund will therefore target an annual return rate of 6%.

21. The agreed asset allocation ranges for the Fund are shown below along with the Fund's strategic benchmark and liability based benchmark.

Asset Class	**Allocation Ranges**	**Strategic Benchmark**	
Equities	55% to 75%	FTSE All Share World	65.0%
Property	5% to 25%	IPD annual	15.0%
Bonds	10% to 25%	FTSE UK All Stock	17.5%
Cash	0% to 10%	LIBID 7 Day	2.5%
Liability Based Benchmark		FTSE UK Gilts (5 Yrs)	100.0%

22. These ranges are aimed at achieving appropriate returns to meet the funding objective within acceptable risk parameters. The Fund will vary between the asset classes according to market circumstances, relative performance and cash flow requirements. The ranges will be kept under regular review and, if it appears likely that these limits might be breached because of market movements, reference will be made to a meeting of the Pensions Working Party for advice.

23. The asset allocation currently favours "growth assets" (equities and property) over "defensive assets" (bonds and cash) as the former are expected to outperform the latter over the long term. Although net additions from members (contributions received less benefits paid) are now expected to be negative for the foreseeable future, the Fund receives significant investment income and a recent report by the Fund Actuary shows that the Fund is unlikely to need to sell assets to pay benefits for at least 20 years. This allows the Fund to continue to implement a long term investment strategy.

24. As the funding level approaches 100%, the asset allocation will be reviewed to consider whether it is appropriate to change the mix of growth versus defensive assets.

Investment Strategy

Requirement to invest fund money in a wide variety of investments

25. The Fund will be invested in a diversified range of assets. The Fund will be diversified across multiple asset classes with different risk return expectations and correlations to deliver the targeted return of the Fund. The Fund may invest in quoted and unquoted securities of UK and overseas markets including equities and fixed interest and index linked bonds, cash, property, infrastructure and commodities either directly or through pooled funds. These asset classes are only examples of the types of investments that may be held, and are not intended to be an exhaustive list.

Types of investments

26. Subject to the LGPS regulations on allowable investments the Fund may invest in a wide range of assets and strategies including quoted equity, Government and Non-Government bonds, currencies, money markets, commodities, traded options, financial futures and derivatives, alternative strategies, private equity and debt markets, Infrastructure and Property. Investment may be made in-house, indirectly (via funds) in physical assets or using derivatives. The fund will also use external managers to carry out stock lending ensuring suitable controls/risk parameters are put in place to prevent losses. Where an asset class/strategy is not expected to help in delivering the risk adjusted investment return required it will not be held.

Approach to risk, including the ways in which risks are to be assessed and managed

27. The risk tolerance of the Fund is agreed with the Pension Fund Committee, the investment team and independent adviser through the setting of investment beliefs, funding and investment objectives. The Fund will only take sufficient risk in order to meet the target return set out in paragraph 19 of 6%.

28. The Fund is exposed to investment, operational, governance and funding risks. These risks are identified, measured, monitored and then managed. This is carried out using risk registers with section responsibility and over sight from the Head of Governance/CRO.

Approach to pooling investments

29. The Fund is entering the LGPS Central pool with the understanding that the pooled investments will benefit from lower investment costs, greater investment capability and access to more uncorrelated asset classes. Becoming an FCA registered investment manager will lead to improved governance, transparency and reporting giving the Pension Fund assurance that its investments are being carried out effectively.

30. It is expected that most of the Fund's assets will be transferred to the Pool over time, as it will take some time for the Pool to restructure the assets into appropriate sub-funds within

the Pool. These sub-funds are likely to be set-up over a period of 2 – 3 years, with the timing being dependent on market conditions and operational circumstances.

31. The detailed business case for LGPS Central demonstrates how the proposal will meet the four key assessment criteria laid down by the government:
    - Asset pool(s) that achieve the benefits of scale (>£25billion)
    - Strong governance and decision making
    - Reduced costs and value for money
    - Improved capacity and capability to invest in infrastructure

32. The business case outlined the proposed governance, oversight and management structure of the pool and this has been reviewed by Eversheds, the legal advisers appointed by the pool.

33. The structure will allow participating funds to exercise control (both individually, and collectively) over the new arrangements, not only as investors in the pooled funds, but also as shareholders of the operator company, LGPS Central Ltd.

34. Whilst assets will be managed on a pooled basis, each fund will be able to exercise their investor rights independently, although benefits of scale will be most effectively harnessed where parties work together in a co-ordinated way to align their decision making. An important example of this is responsible investment and voting policies where cross-voting between funds within the same pool would be both costly to administer and counter-productive.

35. The Shareholders Forum, governed by a Shareholders Agreement and operating under company law, will have formal decision making powers. Nottinghamshire County Council will have equal voting rights alongside the other participating funds, and unanimous decisions will be required on key strategic matters. These are specified in the Shareholders Agreement and Articles of Association and include the appointment and dismissal of the company's senior executives, approval of the company's strategic plan and any significant financial transactions, such as major acquisitions, lending or borrowing.

36. The degree of control to be exercised by the Shareholders through their reserve powers will be greater than is generally the case, in order to satisfy the Teckal exemption criteria and allow the company to undertake services on behalf of the investor funds without a formal procurement process.

37. The Joint Committee, established by an Inter-Authority Agreement, will be the forum for dealing with common investor issues, and for collective monitoring of the performance of the pool against the agreed objectives of LGPS Central. It will however, have no formal decision making powers and recommendations will require the approval of individual authorities, in accordance with their local constitutional arrangements.

38. The government has made clear their expectation that pooled entities should be regulated by the Financial Conduct Authority (FCA) to ensure appropriate safeguards over the management of client monies. As such, LGPS Central Ltd will be subject to on-going oversight by the FCA and key management positions, including the company directors, need to be 'approved persons', able to demonstrate appropriate knowledge, expertise and track

record in investment management. These positions also carry significant personal liability for their actions and decisions.

39. Comprehensive programme governance arrangements are in place to ensure that the statutory deadline for the implementation of pooling is achieved and that costs and savings are managed in accordance with the agreed business case. The s151 officers of each of the participating funds sit on the LGPS Practioners Advisory Forum and regular meetings are held with the Chair and Vice-Chair of the Pension Fund Committee to ensure effective member oversight of progress and delivery. The Nottinghamshire Pension Fund Committee and the Local Pensions Board are also being updated regularly on key developments and decisions.

40. Expert advisers have been appointed to provide support on legal matters, FCA registration, taxation and overall programme management.

Policy on social, environmental and corporate governance considerations

41. Social, environmental and corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments. Nonfinancial factors may be considered to the extent that they are not significantly detrimental to the investment return and the Committee is satisfied that members share their concerns.

42. It is recognised that ESG factors can influence long term investment performance and the ability to achieve long term sustainable returns. The Committee consider the Fund's approach to ESG in two key areas:

    a. Sustainable investment / Environmental and social factors – considering the financial impact of environmental, social and governance (ESG) factors on its investments.
    b. Stewardship and governance – acting as responsible and active investors/owners, through considered voting of shares, and engaging with investee company management as part of the investment process. The Committee supports the Stewardship Code and intends to become a signatory.

43. In combination these two matters are often referred to as 'Responsible Investment', or 'RI' and this is the preferred terminology of the fund. Effective management of financially material ESG risks should support the requirement to protect investment returns over the long term. The Committee takes RI matters seriously and will not appoint any manager unless they can show evidence that RI considerations are an integral part of their investment decision-making processes. Following appointment managers are required to report any changes in their approach to RI to Officers.

44. A strategy of engagement with companies, rather than negative screening to exclude stocks from the portfolio on ESG/ethical grounds, is more compatible with the administering authority's fiduciary duties and supports responsible investment.

Policy on the exercise of the rights (including voting rights) attaching to investments

45. Membership of the Local Authority Pension Fund Forum (LAPFF) helps Nottinghamshire Pension Fund to engage with companies to understand issues and to promote best practice. LAPFF was set up in 1990 and is a voluntary association of the majority of Local Authority

pension funds based in the UK with combined assets of over £200bn. It exists to protect the long term investment interest of local authority pension funds, and to maximise their influence as shareholders by promoting the highest standards of corporate governance and corporate responsibility amongst investee companies.

46. The Committee believes that voting is integral part of the responsible investment and stewardship process. The Fund manages its ownership responsibilities through both its partnership with Pensions & Investment Research Consultants Ltd (PIRC) and via its investment managers. PIRC is Europe's largest independent corporate governance and shareholder advisory consultancy. PIRC exercises all the Fund's voting rights in line with the PIRC proxy voting guidelines.

47. PIRC reports quarterly on its voting activity and these reports are available to Committee Members and the membership through the website. The availability of this information is stated in the Annual Report.

Assessment of the suitability of investments

48. The policy of the Fund will be to treat the equity allocation as a block aimed at maximising the financial returns to the funds (and thus minimising employers' contributions) consistent with an acceptable level of risk. The block of Bonds, Property and Cash is aimed at lowering overall risk (at the cost of anticipated lower return).

49. The Trustees have agreed an allocation to private equity and infrastructure. The allocation is based on *committed* amounts and, owing to the nature of these funds, the actual net investment level will be significantly lower. New investments will be made over time to target a commitment level of 10% of the Fund (within an allocation range up to 15% to allow for movements in market value).

50. Investments, such as private equity and infrastructure, that fall outside the high level asset classes will be included within the most appropriate class for reporting purposes and assessed against the relevant part of the strategic benchmark.

51. Cash will be managed and invested on the Fund's behalf by the County Council in line with its treasury management policy. The policy is to invest surplus funds prudently, giving priority to security and liquidity rather than yield. If losses occur, however, the Fund will bear its share of those losses.

52. Pension fund cash is separately identified in a named account and specific investment decisions will be made on any surplus cash identified, based on the estimated cash flow requirements of the Fund. As the majority of cash is allocated to individual investment managers and may be called by them for investment at short notice, it is expected that the majority of cash will be placed on call or on short-term fixed deposits. Unallocated balances may be placed directly with the Fund's custodian.

53. Other asset classes, such as hedge funds and currency, will be reviewed as part of the regular asset allocation strategy review and, if a decision to invest in other assets is made, the Investment Strategy Statement will be revised accordingly.

Statement of Investment beliefs

54. The Fund's investment beliefs outline key aspects of how it sets and manages the Fund's exposures to investment risk. They are as follows:

Financial Market Beliefs

- There exists a relationship between the level of investment risk taken and the rate of expected investment return. As taking calculated risks does not guarantee returns, investment losses or below expected returns are possible outcomes.
- Markets are dynamic and are not always efficient, and therefore offer opportunities for investors.
- In making investments in illiquid assets, a return premium should be sought.
- Diversification is a key technique available to institutional investors for improving risk-adjusted returns.

Investment Strategy/Process Beliefs

Clear investment objectives are essential. Return and risk should be considered relative to the Fund's liabilities, funding position and contribution strategy. Risk should be viewed both qualitatively and quantitatively.

Particular focus should be given to the risk of loss and also to the nature and likelihood of extreme events so that the Fund is not a forced seller of assets.

- Strategic asset allocation is a key determinant of risk and return, and thus is typically more important than manager or stock selection.
- Equities are expected to generate superior long-term returns relative to Government bonds.
- Alternative asset class investments are designed to further diversify the portfolio and improve its risk-return characteristics.
- Active management can add value over time but it is not guaranteed and can be hard to access. Where generating 'alpha' is particularly difficult, passive management is preferred.
- Operational, counterparty and reputational risk need assessment and management, in addition to investment risk.
- Managing fees and costs matter especially in low-return environments. Fee arrangements with our fund managers – as well as the remuneration policies of investee companies – should be aligned with the Fund's long-term interests.

Organisational Beliefs

- Effective governance and decision-making structures that promote decisiveness, efficiency and accountability are effective and add value to the Fund.
- Management areas where it is difficult or not possible to obtain the right expertise should be managed externally.

Responsible Investment Beliefs

- Effective management of financially material ESG risks should support the Fund's requirement to protect returns over the long term.
- Investee companies with robust governance structures should be better positioned to handle the effects of shocks and stresses of future events.

- There are some investment opportunities arising from environmental and social challenges which can be captured so long as they are aligned with the Fund's investment objectives and strategy

Risk Management

55. The Fund has adopted a Risk Management Strategy to:
    a) identify key risks to the achievement of the Fund's objectives
    b) assess the risks for likelihood and impact
    c) identify mitigating controls
    d) allocate responsibility for the mitigating controls
    e) maintain a risk register detailing the risk features in a)-d) above
    f) review and update the risk register on a regular basis
    g) report the outcome of the review to the Nottinghamshire Pension Fund Committee.

56. The Risk Register is a key part of the strategy as it identifies the main risks to the operation of the Fund, prioritising the risks identified and detailing the actions required to further reduce the risks involved.

57. A key part of managing the investment risk is by ensuring an adequate number of suitably qualified investment managers and by requiring managers to hold a diversified spread of assets, which will be reviewed regularly by the Pension Fund Committee. The level of risk in the equities block will be managed by a balance between passive and active management that may be varied from time to time, according to performance and emerging knowledge and experience of the market. This will continue as the Fund moves to pooled investments, with asset allocation decisions remaining with the Pension Fund Committee.

58. It is believed that active management can add value to the Fund but only over the long term, and decisions to appoint or dismiss fund managers will be given careful consideration. It is accepted that investment performance (particularly from equities) can be volatile but, as a long term investor, the Fund can ride out this volatility as long as projected net cash flow continues to be positive.

59. The correlation between UK and overseas markets has increased significantly over recent time, reflecting the increasing globalisation of the market. The Fund will take into account exchange rate risks when deciding the balance between holding of UK and overseas equities.As a long term investor, the Fund does not undertake currency hedging. Individual managers may hedge currency risks but only with prior approval from the Fund. The Fund will only take risks commensurate with meeting the overall 6% return target.

60. In addition, the following advisory guidelines will apply. These guidelines will be reviewed from time to time, and if changes are made, these will be incorporated into a revised Investment Strategy Statement, and amendments will be published.
    - Not more than 10% of the Fund to be invested in unlisted securities.
    - Not more than 10% of the Fund to be invested in a single holding.
    - Prior to pooling, not more than 25% of the Fund to be invested in securities which are managed by any one body, i.e. in a unit trust type arrangement.
    - Not more than 15% of the Fund to be invested in partnerships, with not more than 2% in any one partnership.

- Not to enter into any stock lending arrangements.
- No underwriting without prior approval.
- No involvement in derivatives (including currency options) without prior approval.

Other Issues

61. The Fund's assets are held in custody by a combination of an independent custodian, investment managers and in-house. The performance of fund managers will be measured against individual benchmarks, and the overall fund, including cash returns, against the strategic benchmark. Performance will be measured by an independent agency. The statement of accounts will be audited by the County Council's external auditors.

62. The investment management arrangements of the Fund can be found in the latest annual report (available on the Fund's website, www.nottspf.org.uk). The Fund also publishes details of its holdings on the website on a quarterly basis.

63. This Investment Strategy Statement will be kept under review and will be revised following any material changes in policy.

Nottinghamshire County Council

Pension Fund
Governance Compliance Statement

April 2018

1. Introduction

1.1 This is the governance compliance statement of the Nottinghamshire pension fund which is part of the Local Government Pension Scheme and administered by Nottinghamshire County Council (the council). The statement has been prepared as required by the Local Government Pension Scheme (Administration) Regulations 2013.

2. Governance Arrangements

2.1 Under the terms of the council's constitution, the functions of the council as administering authority of the pension fund are delegated to the Nottinghamshire Pension Fund Committee. This is in line with guidance from the Chartered Institute of Public Finance & Accountancy (CIPFA).

2.2 The Nottinghamshire Pension Fund Committee meets eight times a year and its members act in a quasi-trustee capacity. Under the constitution, it is responsible for Administering the Nottinghamshire Pension Fund, including investments by and management of pension funds.

2.3 The Committee also has responsibility for investment performance management of the Fund Managers. It may appoint a working party to consider future policy and development.

2.4 The Committee has the further responsibility for matters relating to the administration of the Pension Fund.

2.5 The number of voting members of the Nottinghamshire Pension Fund Committee is determined by the Council at its annual meeting.

3. Functions and Responsibilities

3.1 The Nottinghamshire Pension Fund Committee separately approves the pension fund's Funding Strategy Statement, Investment Strategy Statement, Risk Management Strategy, Administration Strategy Statement and Communications Strategy Statement.

3.2 The Funding Strategy Statement sets out the aims and purpose of the pension funds and the responsibilities of the administering authority as regards funding the scheme. Funding is the making of advance provision to meet the cost of accruing benefit promises and the long term objective is to achieve and then maintain assets equal to 100% of projected accrued liabilities. These responsibilities are delegated to the Nottinghamshire Pension Fund Committee.

3.3 The Investment Strategy Statement sets out more detailed responsibilities relating to the overall investment strategy of the funds including the proposed asset allocation, restrictions on investment types, the type of investment management used and performance monitoring. It also covers the fund’s policy on trustee training and expenses and states the fund’s approach to socially responsible investment and corporate governance issues. These responsibilities are delegated to the Nottinghamshire Pension Fund Committee.

3.4 Financial Regulations specify that the Service Director (Finance, Procurement & Performance) is responsible for arranging the investment of the Pension Fund. Operational matters falling under this responsibility are exercised by the Senior Accountant (Pensions & Treasury Management).

3.5 The Risk Management Strategy aims to reduce or eliminate risks which may jeopardise the achievement of the Fund’s key objectives. It includes a risk register that identifies and prioritises the main risks to the operation of the fund. Responsibility for the Risk Management Strategy is delegated to the Nottinghamshire Pension Fund Committee.

3.6 The Communications Strategy Statement details the overall strategy for involving stakeholders in the pension funds. The stakeholders identified are:

- trustees
- current and prospective scheme members
- scheme employers
- administration staff
- other bodies.

Responsibility for the communications strategy is delegated to the Nottinghamshire Pension Fund Committee.

4. Representation

4.1 The Nottinghamshire Pension Fund Committee has 9 voting members all of whom are current county councillors. The political make-up of the committee is in line with the current council and the chair is normally appointed by Council. These members have full voting rights.

4.2 In addition the Committee also has 10 members consisting of the following representatives:

- Nottingham City Council (3)
- Nottinghamshire Local Authorities' Association (2)
- scheduled and admitted bodies (1)
- trade unions (2)
- Pensioner representatives (2)

4.3 Meetings of the Committee are also attended by officers of the County Council and an independent adviser. This ensures the Committee has access to "proper advice" as required by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009. Proper advice is defined as the advice of a person who is reasonably believed to be qualified by their ability in and practical experience of financial matters. This includes any such person who is an officer of the administering authority.

5. Stakeholder Engagement

5.1 An annual meeting of the pension funds is held in October to which all employer representatives and scheme members are welcome. The purpose of the meeting is to report on investment performance and current issues of concern to the pension funds.

5.2 A number of other initiatives to involve stakeholders are currently in place including:

- regular employers meetings
- meetings between employers and actuaries
- Nottinghamshire Finance Officers meetings
- the annual report for the pension fund
- Pensions road shows at various venues around the County
- dedicated pension fund website.

6. Review and Compliance with Best Practice

6.1 This statement will be kept under review and will be revised and published following any material change in the governance arrangements of the pension funds.

6.2 The regulations required a statement as to the extent to which the governance arrangements comply with guidance issued by the Secretary of State. The guidance contains best practice principles and so are shown below with the assessment of compliance.

Ref.	Principles	Compliance and Comments
A	**Structure**	
a.	The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	**Fully compliant**
b.	That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	**Fully compliant**
c.	That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	**Not applicable**
d.	That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	**Not applicable**
B	**Representation**	
a.	That all key stakeholders are afforded the opportunity to be represented. within the main or secondary committee structure. These include :- i) employing authorities (including non-scheme employers, eg, admitted bodies); ii) scheme members (including deferred and pensioner scheme members), iii) independent professional observers, and iv) expert advisors (on an ad-hoc basis).	**Fully compliant**
b.	That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.	**Fully compliant**
C	**Selection and role of lay members**	
a.	That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	**Fully compliant** All members of the Nottinghamshire Pension Fund Committee are aware of their responsibilities for the oversight of the funds.
D	**Voting**	
a.	The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	**Fully compliant**
E	**Training/facility time/expenses**	

a.	That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	**Fully compliant** Members are encouraged to receive suitable training to help them discharge their responsibilities including attending training courses, conferences and meetings. Travel and subsistence arrangements are those which prevail for the County Council.
b.	That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	**Fully compliant**
F	**Meetings (frequency/quorum)**	
a.	That an administering authority's main committee or committees meet at least quarterly.	**Fully compliant** The Nottinghamshire Pension Fund Committee meets 8 times a year.
b.	That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	**Not applicable**
c.	That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	**Not applicable**
G	**Access**	
a.	That subject to any rules in the councils constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	**Fully compliant**
H	**Scope**	
a.	That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	**Fully compliant**
I	**Publicity**	
a.	That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	**Fully compliant** The governance compliance statement is published on the pension fund website and is included with the relevant committee report (available on the County Council website).

Nottinghamshire County Council

Report to Pension Fund Committee

19 April 2018

Agenda Item: 5

REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT & IMPROVEMENT

LGPS CENTRAL LIMITED UPDATE

Purpose of the Report

1. To provide information on the latest position in respect of the set-up of LGPS Central Ltd.

Background

2. A number of reports have previously been presented setting out progress on the pooling arrangements required to meet the criteria set out by the government. In particular a detailed report to Full Council on 12 January 2017 set out the approach being taken by the constituent funds of LGPS Central. The report also set out the proposed governance arrangements required to ensure this Committee continues to have the oversight required to be responsible for monitoring the overall management, performance and administration of the fund, and for setting investment strategy, including the overall allocation of assets, which is the critical factor in determining investment performance.

Information

3. LGPS Central Ltd, the asset management company created and owned by eight midlands-based Local Government Pension Scheme (LGPS) funds, to manage their £40bn of assets opened for business with the launch of 3 new mandates on 3 April 2018.

4. The launch saw the delivery of the first sub-funds built which are available to all Partner Funds to support and offer internally managed passive equity investments.

5. The transition of assets coincided with the transfer of investment management staff from West Midlands and Derbyshire Pension Funds to LGPS Central Ltd and marked the launch of a programme of product development built in partnership with the company, which will be tailored to meet Partner Funds' needs.

6. Working with Partner Funds, LGPS Central Ltd will now look to develop more products and expand its service offering, with the aim of creating efficient and cost-effective opportunities for Funds to invest.

7. The planned investment offerings timetable is set out in Appendix A. This shows that the initial focus is on internal passive funds as set out above. The intention, as part of the pooling

process, is that Nottinghamshire Pension Fund will move the current in-house passive portfolio to either LGPS Central Ltd, add to the existing Legal & General Investment Management (LGIM) funds as part of the wider pool, or utilise a combination of both.

8. LGPS Central Ltd are in the process of providing details of their passive offering and this will be compared to the costs of LGIM. A detailed proposal setting out the estimated costs of each passive fund, including transition costs, will be brought to the next Committee.

Other Options Considered

9. None.

Statutory and Policy Implications

10. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

11. There are no direct financial implications arising from the report.

RECOMMENDATION/S

1) It is recommended that Members consider the report and comment on the information presented.

Keith Palframan
Group Manager – Financial Strategy & Compliance

For any enquiries about this report please contact: Tamsin Rabbitts

Constitutional Comments (KK 9/4/18)

12. The proposal in this report is within the remit of the Nottinghamshire Pension Fund Committee.

Financial Comments (KRP 9/4/18)

13. The financial implications are as set out in the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- LGPS Central Asset Pooling - Report to Full Council, 12 January 2017.

Electoral Division(s) and Member(s) Affected

- All

Appendix A

Transition Date	Sub-Fund
Apr-18	UK Equities Passive Internal Overseas Equities Passive Internal Diversified Growth Fund Internal
Jun-18	Global Equities Active External Global Equities Active Internal
Sep-18	UK Equities Active Internal Emerging Market Equities Active External
Apr-19	Conventional FI Active Internal Index Linked Active Internal Corporate Bonds Active External MAC Active External (60%) EMD
Sep-19	Property Direct
Apr-20	UK Equities Active External US Equities Active External MAC Active External (40%)
Sep-20	Japanese Equities Active External Asia Pacific Equities Active External European Equities Active External

Nottinghamshire County Council

Report to Pension Fund Committee

19 April 2018

Agenda Item: 6

REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT & IMPROVEMENT

LAPFF CONFERENCE 2017

Purpose of the Report

1. To report on the Local Authority Pension Fund Forum (LAPFF) Conference 2017 held in Bournemouth.

Information

2. The LAPFF Conference 2017 was held on 6th to 8th December 2017 in Bournemouth. In accordance with prior approval and as part of the Fund's commitment to ensuring those charged with decision-making and financial management have effective knowledge and skills, the conference was attended by Councillor Eric Kerry and Tamsin Rabbitts (Senior Accountant – Pensions & Treasury Management). The theme of the conference was Responsible Investment.

3. **A new approach to asset management**
   David Blood, Senior Partner, Generation Investment Management LLP, Kim Catechis, Head of Global Emerging Markets, Martin Currie, Daniel Godfrey, People's Trust

   The presenters gave three views of incorporating Responsible Investment into their investment management, demonstrating the essential, but not sufficient, inclusion of these considerations, and challenging the idea that this is new.

   David Blood said that responsible investment is about adding value to portfolios as more sustainable companies are also better resource managers with lower risk. He warned us that every aspect of our lives will need to change in order to transition to a low carbon economy.

   Kim Catechis felt that responsible investment considerations are, and always had been, an essential part of assessing the quality of any company for investment potential.

   Daniel Godfrey proposed that the 'purpose of investment is sustainable wealth creation'. His concern is that investment models are too short term and focussed on relative return. He designed the People's Trust to overcome this in the belief that this would lead to better results through focussing on sustainability. Unfortunately the People's Trust was a failed venture for other reasons, but he remains a strong proponent of long term investment horizons. "The best time to plant a tree is 20 years ago. The second best time is today."

4. **Sustainable agriculture: risks and opportunities**
   Jeremy Coller, FAIRR, Abigail Herron, Aviva Investors

   Jeremy gave an informative and convincing account of the damage and risk of factory farming for both the environment and health, which he feels is bad for the planet, bad for people and bad for investors. His recommendation (investment aside) was to eat less meat, and eat better meat. Abigail developed on one of Jeremy's themes around the overuse of antibiotics in factory farming and explained how the overuse and misuse of antibiotics is accelerating antibiotic resistance. Her world view of a world with no effective antibiotics was chilling.

5. **Considerations for investing in private equity via the Pools**
   Carolyn Skuce, Managing Director, Capital Dynamics, Mark Drugan, Head of European Private Equity, Capital Dynamics

   This session provided a good description of investing in Private Equity, highlighting both the advantages and the disadvantages (and ways to mitigate them), and discussed a potential approach to investing in Private Equity after pooling.

6. **Board diversity**
   Sir John Parker. The ethnic diversity of UK boards. The Parker Review

   Sir John gave some examples from his life and talked about some of the issues which fed into his review. The Parker Review looked at the number of women on company boards. Quotas were rejected as nobody wanted them, but a target of 25% was set. Now the figure is 28% and increasing.

7. **Women on the Board and in the workplace**
   Paul Hunter, PIRC Ltd, Lorna Fitzsimons,The Pipeline, Iris Lether, Senior Sustainability Analyst, Triodos Bank

   A discussion on the advantages of women on boards, and indeed diversity generally, looking at both the statistics and positive action.

8. **LAPFF climate investment policy framework**
   Faith Ward, LAPFF Executive, Councillor Kieran Quinn, Chair LAPFF, Councillor Toby Simon, LAPFF Executive, Edward Kamonjoh, 50/50 Climate, Anne-Marie Williams, Share Action

   Councillor Quinn talked about the Climate Change toolkit and the importance of the issue. Councillor Simon talked about some of the engagement this year with oil producers. Anne Marie Wilson looked in detail at BP and Shell, and reasons why she felt more engagement is required.

9. **Current shareholder campaigns and engagement**
   Cllr Ian Brookfield, Chair, West Midlands PF, Brian Strutton, General Secretary, British

Airline Pilots Association (BALPA), Workers representative from Tesla Inc., John Neal, UNITE, Cllr Richard Greening, LB Islington PF

This was an interesting session (under Chatham House rules) looking at particular issues at Ryan Air, Tesla, and Sports Direct, together with an update on what LAPFF and PIRC have been doing.

10. **Investment risk - cyber security**
Executive Sir Mike Rake, former Chairman of BT, Maureen Kaplan, CISSP GSLC, Global Head of Sales, Vodafone Enterprise Security Services, Vodafone Group Services Ltd, Prof. Shujun Li, Professor of Cyber Security, School of Computing, Director Interdisciplinary Research Centre in Cyber Security, University of Kent

Mike Rake emphasised the importance of cyber security and enforcing basic good practice. This should be a board issue, not delegated to IT. Maureen Kaplan illustrated the scale of the issue with cyber-crime now more significant than drugs. The growing use of technology broadens the target. Professor Li talked about human behaviour as a weak link – "Security that doesn't work for humans, doesn't work."

11. **The politics of financial risk, audit and regulation**
Baroness Sharon Bowles, Atul Shah, Senior lecturer, Suffolk Business School

Baroness Bowles discussed the issues with regulatory agencies acting in the public good being subverted to serve the commercial or political objectives of special interest group. Atul Shah talked about the reasons for the failure of HBOS.

12. **The Spider Network LIBOR: The whole story of a math genius, a Gang of Back stabbing Bankers and one of the greatest scams in financial history**
David Enrich, Finance Editor, The New York Times

This was a fascinating description of the LIBOR manipulation scandal.

13. **LGPS Pool panel**

We heard from representatives from each of the Pools about their progress to implementation and approach to various issues. It is clear each Pool will be different, but all encountering similar challenges.

14. **The future of the LGPS**
Rob Whiteman, CEO, CIPFA

Rob Whiteman outlined the difficult challenges facing local government at the moment, considering that the biggest problem is the breakdown in trust and confidence in public institutions. He then talked about challenges to LGPS, and possible options. He predicted ongoing scrutiny.

15. **Capital market reform in the context of Brexit**
Gina Miller, Partner, SCM Direct

Gina Miller was an excellent speaker and talked about capital market reform and the impact of MiFID II, and about potential options for post Brexit agreements with the EU.

16. **Alastair Campbell**

The conference finished with an entertaining session from Alastair Campbell.

Statutory and Policy Implications

17. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATIONS

1. That Pension Fund Committee members continue to attend appropriate conferences to enable members to be kept up to date with the main national topics relating to investments.

2. That Members consider if there are any actions they require in relation to the issues contained within the report.

Report Author:
Tamsin Rabbitts
Senior Accountant – Pensions and Treasury Management

For any enquiries about this report please contact: Tamsin Rabbitts

Constitutional Comments

18. Pensions Committee is the correct body for considering the information contained in the report and deciding on any further action which members may wish to take in light of that information.

Financial Comments (TMR 21/3/18)

19. There are no direct financial implications arising from this report.

Background Papers and Published Documents
None

Nottinghamshire County Council

Report to Pension Fund Committee

19 April 2018

Agenda Item: 7

REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT & IMPROVEMENT

LAPFF BUSINESS MEETING

Purpose of the Report

1. To report on the Local Authority Pension Fund Forum (LAPFF) business meeting held in London on 30 January 2018.

Information and Advice

2. The Local Authority Pension Fund Forum was formed in 1990 to provide an opportunity for the UK's local authority pension funds to discuss investment and shareholder engagement issues. LAPFF currently has 73 members (shown at Appendix A) with combined assets of around £200 billion and is consequently able to exert significant influence over companies in which funds are invested.

3. LAPFF exists 'to promote the long-term investment interests of UK local authority pension funds, and in particular to maximise their influence as investors to promote corporate social responsibility and high standards of corporate governance amongst the companies in which they invest'. It also:
   a. Provides a forum for information exchange and discussion about investment issues.
   b. Facilitates the commissioning of research and policy analysis of issues in a more effective manner than individual members could achieve.
   c. Provides a forum for consultation on shareholder initiatives.
   d. Provides a forum to consider issues of common interest to all pension fund administrators and councillors.

4. The business meeting was attended on behalf of Nottinghamshire Pension Fund by an officer representative.

5. The meeting began with a tribute to Kieran Quinn, the chair of LAPFF who died suddenly on Christmas Day. Kieran had also been chair of the Greater Manchester Pension Fund, which has assets of £21bn.

6. Much of the meeting was taken up by a discussion about the collapse of Carillion and the impact that this had had on LAPFF assets. Tim Bush from PIRC Ltd stated that an analysis of the Carillion balance sheet might well have given warning of the collapse, but added also that nothing can be foreseen with total clarity. He went on to provide an update of the work being undertaken to challenge and clarify the Financial Reporting Council's

interpretation of ‘true and fair view’ as laid down in the Companies Act. While confusion exists in this area it is more likely that other companies will leave themselves exposed to catastrophic collapse in the manner of Carillion.

7. With pooling on the horizon, LAPFF membership was discussed in relation to allowing pools themselves to join LAPFF. A new LAPFF constitution, to be agreed at the forthcoming AGM, will allow pools to be full members alongside Administering Authorities, and the suggested fee structure is as follows:

   Pools that have 100% LAPFF members would not be liable to pay a fee for the first year of membership (to be reviewed in 2019), and Pools that do not have 100% LAPFF members would have to pay the annual LAPFF fee applicable to member funds (to be reviewed in 2019).

8. The AGM is planned for 28 March 2018.

Statutory and Policy Implications

9. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

1) That Pension Fund Committee members consider whether there are any actions they require in relation to the issues contained within the report.

Report Author:
Ciaran Guilfoyle
Investments Officer

For any enquiries about this report please contact: Ciaran Guilfoyle

Constitutional Comments

10. This is an updating information report and Pension Committee is the correct body for considering that information and any further action which members may wish to take in light of that information.

Financial Comments (TMR 31/01/2018)

11. There are no direct financial implications arising from this report.

Background Papers

- LAPFF constitution
- LAPFF Quarterly Engagement Report October 2017 – December 2017

Membership of LAPFF as at January 2018

1	Avon Pension Fund
2	Barking and Dagenham LB
3	Bedfordshire Pension Fund
4	Cambridgeshire Pension Fund
5	Camden LB
6	Cardiff and Vale of Glamorgan Pension Fund
7	Cheshire Pension Fund
8	City of London Corporation
9	Clwyd Pension Fund
10	Croydon LB
11	Cumbria Pension Scheme
12	Derbyshire CC
13	Devon CC
14	Dorset County Pension Fund
15	Dyfed Pension Fund
16	Ealing LB
17	East Riding of Yorkshire Council
18	East Sussex Pension Fund
19	Enfield LB
20	Falkirk Council
21	Gloucestershire Pension Fund
22	Greater Gwent Fund
23	Greater Manchester Pension Fund
24	Greenwich Pension Fund RB
25	Gwynedd Pension Fund
26	Hackney LB
27	Haringey LB
28	Harrow LB
29	Havering LB
30	Hertfordshire County Council Pension Fund
31	Hounslow LB
32	Islington LB
33	Lambeth LB
34	Lancashire County Pension Fund
35	Lewisham LB
36	Lincolnshire CC
37	London Pension Fund Authority
38	Lothian Pension Fund
39	Merseyside Pension Fund
40	Newham LB
41	Norfolk Pension Fund
42	North East Scotland Pension Fund
43	North Yorkshire CC Pension Fund
43	Northamptonshire CC
45	Northern Ireland Local Government Officers Superannuation Committee
46	Northumberland Pension Fund
47	**Nottinghamshire CC**
48	Powys County Council Pension Fund
49	Redbridge LB
50	Rhondda Cynon Taf
51	Sheffield City Region Combined Authority

52	Shropshire County Council
53	Somerset CC
54	South Yorkshire Pensions Authority
55	Southwark LB
56	Staffordshire Pension Fund
57	Strathclyde Pension Fund
58	Suffolk County Council Pension Fund
59	Surrey CC
60	Sutton LB
61	Teesside Pension Fund
62	The City and County of Swansea Pension Fund
63	The Environment Agency Pension Fund
64	Tower Hamlets LB
65	Tyne and Wear Pension Fund
66	Waltham Forest LB
67	Wandsworth LB
68	Warwickshire Pension Fund
69	West Midlands ITA Pension Fund
70	West Midlands Pension Fund
71	West Yorkshire Pension Fund
72	Wiltshire CC
73	Worcestershire CC

Nottinghamshire County Council

Report to Pension Fund Committee

19 April 2018

Agenda Item: 8

REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT & IMPROVEMENT

PROXY VOTING

Purpose of the Report

1. The Fund is committed to supporting best practice in corporate governance and has adopted the *UK Stewardship Code* as recommended by the CIPFA *Principles for investment decision making and disclosure*. This report is to inform members of the voting of equity holdings in the fourth quarter of 2017 (calendar year) as part of this ongoing commitment.

Information and Advice

2. The *UK Stewardship Code*, issued in September 2012 by the Financial Reporting Council, highlights the responsibilities that institutional investors have with regard to the 'long-term success of companies in such a way that the ultimate providers of capital [in this case, the Nottinghamshire Pension Fund] also prosper'. These responsibilities include, among other things, having a clear policy on voting and on the disclosure of voting activity. The *Code* states that investors "should not automatically support the board".

3. Alongside this the CIPFA *Principles for investment decision making and disclosure* require administering authorities to include a statement of their policy on responsible investment in the Statement of Investment Principles and report periodically on the discharge of such responsibilities. The Fund's statement on responsible investment states that 'the Fund continues to exercise its ownership rights by adopting a policy of actively voting stock it holds'.

4. The Fund retains responsibility for voting (rather than delegating to its investment managers) and votes the majority of its equity holdings in the UK, Europe, US and Japan. Voting is implemented by Pensions Investment Research Consultants (PIRC). PIRC issue Shareholder Voting Guidelines each year and these are the basis of the voting implemented on behalf of the Fund.

5. An overview of the voting activity and analysis of the key issues during the quarters will be published on the Fund website:

   (http://www.nottspf.org.uk/about-the-fund/investments)

   and with the meeting papers on the Council Diary:

   (http://www.nottinghamshire.gov.uk/dms/Meetings.aspx).

Statutory and Policy Implications

6. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION

That Pension Fund Committee members consider whether there are any actions they require in relation to the issues contained within the report.

Report Author:
Ciaran Guilfoyle
Investments Officer

For any enquiries about this report please contact: Ciaran Guilfoyle

Constitutional Comments

7. This is an updating information report and Pension Committee is the correct body for considering that information and any further action which members may wish to take in light of that information.

Financial Comments (TMR 23/01/2018)

8. There are no direct financial implications arising from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- PIRC – Nottinghamshire CC Pension Fund, Proxy Voting Review, 1 October 2017 to 31 December 2017
- Financial Reporting Council, *The UK Stewardship Code*, September 2012.

Nottinghamshire County Council

Report to Nottinghamshire Pension Fund Committee

19 April 2018

Agenda Item: 9

REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HUMAN RESOURCES

IMPLEMENTATION OF THE GENERAL DATA PROTECTION REGULATION

Purpose of the Report

1. The purpose of this report is to update and seek Pensions Committee approval for the actions proposed by the Pension Administration Team in preparation for the introduction of the new General Data Protection Regulation (GDPR) from 25 May 2018.

Information

Background

2. On 25 May 2018 the EU's General Data Protection Regulation (GDPR) comes into force containing new standards for the protection of individuals' personal data in the European Economic Area. The change will impact on the way pensions schemes can lawfully collect, use, retain and share information. GDPR applies to organisations that handle the personal data of EU residents and will replace the UK's Data Protection Act 1998 (DPA).

3. Although the GDPR is EU legislation, UK organisations will still need to apply it, and after Brexit the UK is likely to adopt its own legislation to align with GDPR.

4. In July 2017, the LGPC Secretariat circulated a document commissioned from a firm of independent legal advisers to provide a brief overview of the new requirements and the steps which local authority pension funds should be taking to prepare for GDPR coming into force. A copy of this document is attached as Appendix A to the report and has been used to inform the Nottinghamshire Pension Fund GDPR action plan.

5. The definition of personal data is wider under GDPR than under the UK's current Data Protection legislation. Personal data means any information about an individual where that person can be identified directly or indirectly from the data. This will therefore require a range of actions to be identified and undertaken by the Nottinghamshire Pension Fund to enable legal compliance. Discussions have taken place and advice sought from the Programme Manager for the Council's programme of work to ensure GDPR compliance. The action plan attached as Appendix C will be implemented alongside the Council's corporate GDPR action plan to identify and exploit synergies and interdependencies and share learning between the two programmes of work.

Implications of the implementation of GDPR for the administration of the fund

6. GDPR brings with it not just the need to comply with the new requirements, but also the need to demonstrate compliance, if requested by the Information Commissioner's Office. The intention of GDPR is to raise the level of personal data security and privacy protections across the board.

7. In summary, implementation of GDPR has the following implications for the Nottinghamshire Pension Fund:

    a. The scale of the financial penalties for non-compliance is much greater;
    b. Authorities must create and maintain records of all personal data processing activities, to be presented to the Information Commissioner's Office (ICO) on demand;
    c. Authorities must review and assess the adequacy of their data security measures in place, and use encryption where appropriate
    d. Authorities must review and update all relevant third party service and data sharing contracts to ensure GDPR compliance;
    e. Authorities must revise privacy notices and consider whether member consent is required. Advice to date is that it is likely that authorities will be able to reply on the "performance of a legal obligation" exemption;
    f. Authorities must establish, or update, breaches management processes so that relevant breaches can be reported within 72 hours of the authority becoming aware of the breach;
    g. Authorities must appoint a Data Protection Officer (DPO);
    h. Authorities must ensure processes are in place to cater for new individual rights, particularly the right to have personal data deleted; and
    i. Authorities should consider whether to carry out a Data Protection Impact Assessment (DPA).

8. Under GDPR there are a number of Data Protection roles:

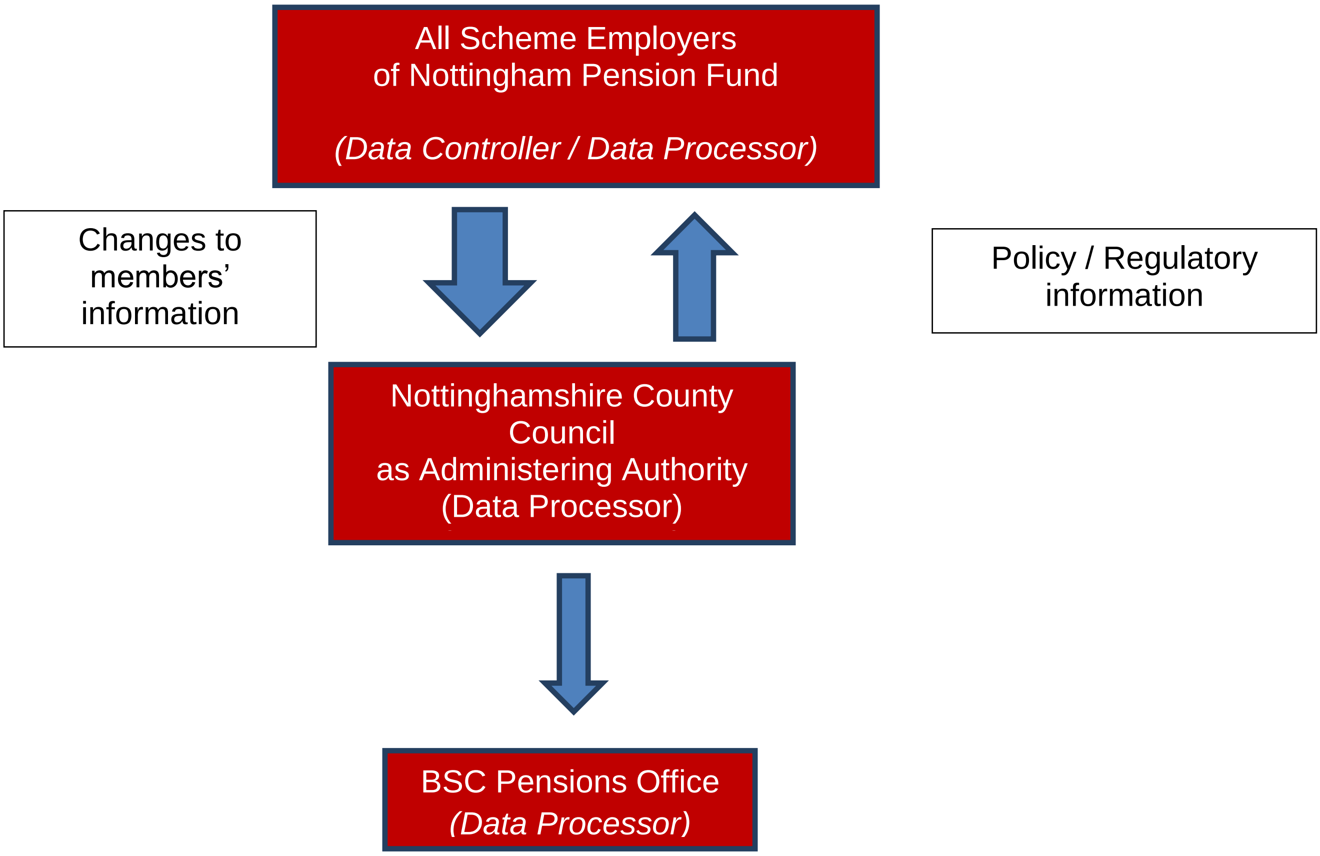
    a. Information Commissioner – person who has the power to enforce the Act
    b. Data Controller – person or organisation that collects and keeps data about people
    c. Data Processor – person or organisation that processes data on behalf of the data controller
    d. Data Subject – person who has data about them stored outside their direct control.

    With effect from 25 May 2018 GDPR applies to Data Processors and Data Controllers.

9. Nottinghamshire County Council will be establishing and appointing a dedicated Data Protection Officer. Consideration will be given to whether it would be appropriate for this role to also undertake the DPO role for the Nottinghamshire Pension Fund, with an appropriate recharge being made to the Fund. If not, alternative arrangements will need to be made. It is also proposed that the Nottinghamshire Pension Fund review the Nottinghamshire County Council processes for handling data breaches and subject access requests to determine whether these would be suitable for adoption by the fund. Further advice will be taken on both these aspects and reported back to a future meeting.

10. In April 2017 Nottinghamshire Pension Fund implemented an Administration Strategy. Work is in progress to review and update the strategy to incorporate GDPR requirements. This will include the Administering Authority and Scheme Employers roles and responsibilities as Data Controllers and Data Processors.

11. The diagram below shows the roles of Scheme Employers, the Administering Authority and the Pensions Office regarding the data protection roles.



National Developments

12. The full implications of GDPR for the LGPS are still being worked through by national organisations, such as the LGPC. In Bulletin 160, the Secretariat states:

"*We are aware that GDPR is an area that is getting increased attention across the LGPS and there are a number of crucial questions where there are different views, in particular:*

a) The implications of GDPR for LGPS funds, and
b) The work that needs to be undertaken to ensure administering authorities are fully compliant by the time GDPR comes into force.

In general, we recommend that LGPS administering authorities which form part of a local authority discuss and become involved in the local authority's broader project for the implementation of GDPR. However, at a national level plans are also in place to help funds with their GDPR responsibilities".

13. In addition to the document attached as Appendix A the LGA have commissioned a firm of independent advisors to produce further documents including:

a. Template privacy statements specifically for LGPS administering authorities that all administering authorities can tailor to meet with own requirements.

b. A Memorandum of Understanding document for employers. The aim of this document would be to set out that participating employers in the LGPS are able to share data with the LGPS administering authority without a data sharing agreement being in place.

14. The LGPS Communications Working Group has established a GDPR sub group. This group is also drafting a number of key documents to support Administering Authorities. This will include Privacy Impact Assessment (PIA) template and Fair Processing Notice, Incident Report Form and the Data Protection Policy. The fund will administration team will review these when available and consider if they are suitable for application for Nottinghamshire.

15. The LGPS has also produced a helpful document "General Data Protection Regulation Question and Answer for LPGS Members ". A copy of which is attached as Appendix B. This will be used to update the website re GDPR and to inform communication with scheme members and employers as set out in the action plan.

Privacy Impact Risk Assessment and Civica UPM GDPR Modules

16. A Data Protection Privacy Impact assessment will be completed for the Civica UPM system. The Pension system team are currently working on implementing the latest version of the system. This is scheduled to be completed by the end of April 2018. This version of the software provides some standard GDPR functionality covering deletion of member records and documents, retention rules and document bundling to support response to subject access requests. It is proposed to purchase additional GDPR modules from Civica which enable the anonymization of personal data within the test system to support GDPR implementation.

Third Party Contracts

17. Contracts with third party providers will need to be updated to ensure that they are GDPR compliant. This work is being led by Nottinghamshire County Council's Procurement Centre who are adopting the Crown Commercial Services Policy Procurement Notes 03/17 covering GDPR compliance. Identified suppliers for the Nottinghamshire Pension Fund include Civica, the software provider for the pension administration system; Barnett Waddingham, the Fund actuaries; Citibank – through which overseas based pensioners are paid and the in-house AVC providers – Prudential and Scottish Widows. All of whom have access to varying amounts of members' personal data.

18. The Nottinghamshire Pension Fund are also required to engage with a number of other bodies to meet statutory and legal obligations such as HMRC, National Fraud Initiative, Pension Regulator, Pension Ombudsman, Government Actuaries Department. Advice is being sought as to requirements to review existing data sharing agreements and update to reflect GDPR and whether or not these bodies are required to confirm their GDPR compliance.

Data Improvement Plan

19. All Pension Schemes are required by the Pension Regulator to have a data improvement plan. The Regulator expects schemes to undertake an annual data review and an additional review if anything significant happens to the Scheme.

20. The details of the Nottinghamshire Pension Fund Data Improvement Plan are the subject of a separate Pension Committee report. This plan will contribute to the Fund's GDPR compliance by ensuring data accuracy.

Other Options Considered

21. The Administering Authority is taking advice and has considered a range of activities to ensure GDPR compliance. These have been developed into an Action Plan for approval. This will be reviewed and developed as further information and advice emerges.

Reason/s for Recommendation/s

22. To raise awareness of the implications of GDPR amongst employers and scheme members and ensure that the Nottinghamshire Fund is compliant with the legislative requirements and best practice.

Statutory and Policy Implications

23. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Data Protection and Information Governance

24. The report and attached action plan set out how the Administering Authority intends to ensure GDPR compliance.

RECOMMENDATION

It is recommended that Members:

1) Approve the Nottinghamshire Pension Fund GDPR action plan and receive quarterly progress reports.

Marjorie Toward
Service Director – Customers and Human Resources
Resources Department

For any enquiries about this report please contact:
Sarah Stevenson, Group Manager Business Support Centre, on 0115 9775740 or
sarah.stevenson@nottscc.gov.uk

Constitutional Comments (KK 05/04/2018)

25. The proposals in this report are within the remit of the Nottinghamshire Pension Fund Committee.

Financial Comments (KP 10/04/2018)

26. There are no direct financial implications arising from the contents of the report.

Human Resources Comments

27. Not applicable

Background Papers and Published Documents

None

Electoral Division(s) and Member(s) Affected

All

General Data Protection Regulation Compliance
Actions for Administering Authorities in the LGPS

Why Is Data Protection So Important?

Pension schemes necessarily hold and process significant amounts of personal data relating to members. As a matter of good governance, it is important that member data is safeguarded. There is already a legal obligation on LGPS fund Administering Authorities to keep member data secure, but new legislation will come into force in May 2018 that will have a significant impact on the obligations of Administering Authorities and the potential financial penalties if they get it wrong.

The GDPR and LGPS Administering Authorities

The General Data Protection Regulation (GDPR) will have direct effect throughout the EU from 25 May 2018. It applies to all EU member states and provides a single EU legal framework for the processing of individuals' data. The maximum potential fine for breaching the GDPR will be €20 million (or 4% of global turnover if higher). The government has confirmed that, despite Brexit, the GDPR will be enforceable in the UK from May next year.

Administering Authorities are responsible for the personal data held by their LGPS funds, meaning the GDPR changes are relevant to them. Every pensions team should be actively planning how to ensure compliance with the GDPR.

Administering Authorities must demonstrate compliance with the GDPR in relation to their LGPS fund. They should be able to show in a meaningful way that both the overall governance structure for data protection compliance and the individual policies and procedures relating to data processing are compliant.

Who Needs to Know?

This document is relevant to anyone working in data protection/compliance or supporting an LGPS fund, and aims to highlight the main steps that Administering Authorities will need to consider in complying with the GDPR in relation to their LGPS funds. Where an authority has already implemented general GDPR compliance processes, or has them in the pipeline, the steps we have set out can be tailored to work in conjunction with or in addition to those processes.

The GDPR – Actions for Administering Authorities

1. Maintain Records of Data Processing

It will become a mandatory requirement for Administering Authorities who employ more than 250 people, or who process sensitive personal data (about members' health or family circumstances), to maintain records of all personal data processing activities. The records may have to be presented to the Information Commissioner's Office (ICO) on demand.

Action for Administering Authorities

- Audit the current position and identify any gaps in compliance.
- Take steps to ensure all personal data processing activities are recorded.

2. Review Data Security Measures and Assess Adequacy

The GDPR retains the current obligation to have appropriate technical and organisational data security measures in place, but also provides that certain specific measures (such as encryption) should be used "where appropriate".

It also requires that processes incorporate "privacy by design and default", i.e. compliance with the GDPR needs to be integrated into all data processing and should be the default setting on all privacy arrangements.

Action for Administering Authorities

- Develop a compliance plan to ensure appropriate technical and organisational data security measures are in place both at the authority and with any third party service provider.
- Review existing applications and processes that involve the use of personal data and ensure they are secure.
- Implement a policy to ensure that data is only stored for the minimum period necessary.
- Consider whether data encryption should be used, especially for sensitive personal data such as health data.
- Default settings (for example, on member portals) must be configured to automatically provide data security.

3. Update Service Provider Contracts

The GDPR requires new content to be inserted into all service and data sharing agreements that govern the use of personal data. It also imposes direct liability on such service providers for data protection compliance.

Action for Administering Authorities

- Work with current service providers and any other third party that receives data from the LGPS fund, e.g. actuaries/auditors, to amend the contractual provisions as necessary to comply with the GDPR.
- Do not agree to any revised contract without first obtaining proper advice that it does not impose additional obligations on the authority/the fund.
- Ensure that the contractual terms applying to all new appointments are compliant with the GDPR.
- Ensure that any third party administrator maintains adequate records.

4. Revise and Update Privacy Notices and Consider Whether Member Consent Is Required

The GDPR requires additional content to be included in all privacy notices regarding how personal data will be used by data controllers. A data controller is any organisation that makes decisions on how personal data is to be processed and for which purposes, so will include the Administering Authorities of an LGPS fund. Data controllers must tell anyone whose personal data they collect what information is held, how it is used, who it may be shared with and what safeguards are in place.

The GDPR also makes it more difficult to obtain valid consent for the use of personal data – consents must be fully informed, specific, unambiguous and freely given by way of a statement or clear affirmative action by the member.

In addition, there is a specific obligation to retain proof of consent.

Action for Administering Authorities

- Review and resend all member privacy notices in order to comply with the GDPR.
- Review consents the authority relies on to justify the processing of personal data.
- Consider new or revised consent to data processing by the fund.
  New joiner information may need to be updated.
- Clear records of all privacy notices and consents must be kept.

5. Establish a Breach Management Process

The GDPR requires data breaches involving any risk to individuals to be reported to the ICO "without undue delay", and within 72 hours of becoming aware of the breach in any case. The report must contain details of the breach, including the number of individuals affected, the likely consequences and the steps being taken to address/mitigate the breach.

Affected individuals must also be notified directly if the breach is a "high risk" to their rights and freedoms.

Action for Administering Authorities

- Establish an effective data breach response plan that ensures any breach is addressed and assessed for the obligation to notify and that the relevant ICO report and any member notifications can be made in a timely fashion.

6. Appoint a Data Protection Officer (DPO)

As public bodies, Administering Authorities may be required to appoint a DPO. The European data protection authorities recommend that a DPO is appointed even if an organisation is not required to have one under the GDPR. The DPO is expected to be appropriately qualified and should report directly to the senior management at the authority. The DPO will be the contact person in the organisation for questions related to processing of personal data in respect of the LGPS fund, as well as the rest of the Administering Authority's functions.

Action for Administering Authorities

- Appoint a suitably qualified DPO, if your organisation is required to have one. This could be the Authority's appointed general DPO, if there is one, provided that person meets the criteria.
- Where Administering Authorities share pension services, one DPO could be appointed to more than one authority in respect of their LGPS funds.

7. Ensure Processes Are in Place to Cater for the New Individual Rights

The GDPR introduces new rights for individuals, including the right of data portability, the right to restrict processing, the right to object to processing, the right to object to direct marketing and the right to be forgotten – i.e. the right to have one's personal data deleted.

Action for Administering Authorities

- Identify which of the new rights may be exercised by members.
- Establish procedures to ensure that the new rights can be exercised.

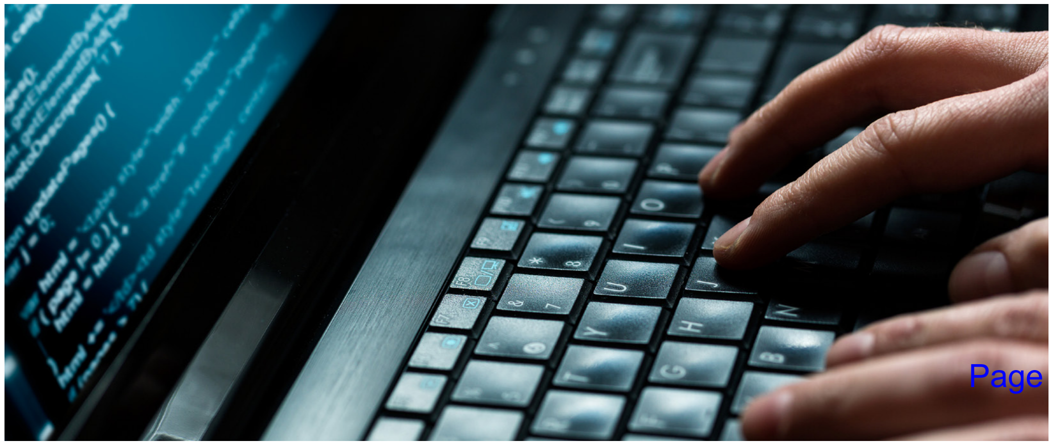
8. Carry Out Data Protection Impact Assessments (DPIA)

DPIAs must be carried out in relation to all "high risk" processing. This is where there is a high risk to rights and freedoms, for example, extensive profiling of individuals using automated processing or large scale processing of sensitive personal data (e.g. medical information). The European data protection authorities recommend to carry out DPIAs as good practice and to demonstrate accountability for processing personal data.

Consultation with the ICO may be required prior to processing in relation to high risk processing in certain circumstances.

Action for Administering Authorities

- Assess whether any use of personal data would be classified as "high risk" under the GDPR and, if so, carry out a DPIA.



Checklist

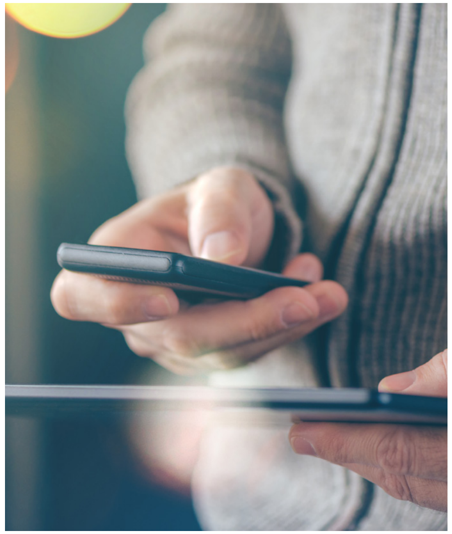
1. **Create and maintain records of data processing.**
2. **Review data security measures and assess compliance.**
3. **Update service provider contracts.**
4. **Revise and update privacy notices and consider whether member consent is required. If yes, assess whether it meets the GDPR requirements.**
5. **Establish or update a data breach management process.**
6. **Appoint a Data Protection Officer (DPO).**
7. **Ensure processes are in place to cater for the new individual rights.**
8. **Consider if a Data Protection Impact Assessment (DPIA) is required and, if so, carry one out.**

Contacts

Clifford Sims
Partner
T +44 207 655 1193
E clifford.sims@squirepb.com

Kirsty Bartlett
Partner
T +44 207 655 0298
E kirsty.bartlett@squirepb.com

Elizabeth Graham
Partner
T +44 113 284 7494
E elizabeth.graham@squirepb.com



Q&A for LGPS members
What is the GDPR?

The General Data Protection Regulation (GDPR) is a new set of European Union (EU) regulations due to come into force on 25 May 2018. It will change how organisations process and handle data, with the key aim of giving greater protection and rights to individuals.

What laws currently govern data protection in the UK?

Currently in the UK the Data Protection Act 1998 sets out how your personal information can be used by companies, government and other organisations. The GDPR will replace the Data Protection Act 1998 when it comes into force on 25 May 2018.

Will the GDPR still apply to the UK after Brexit?

The UK is in the process of implementing a new Data Protection Bill which largely includes all the provisions of the GDPR. There are some small differences, but once the Bill has passed through Parliament and become an Act, UK law on data protection will largely be the same as that of the GDPR.

So what's new?

There are new and extended rights for individuals in relation to the personal data an organisation holds about them, for example, an extended right to access and a new right of data portability. You can obtain further information about these rights from the Information Commissioner's Office at: www.ico.org.uk or via their telephone helpline (0303 123 1113).

In addition, organisations will have an obligation for better data management and a new regime of fines will be introduced for use when an organisation is found to be in breach of the GDPR.

What are the main principals of the GDPR?

The GDPR states that personal data must be:

- processed lawfully, fairly and in a transparent manner
- collected only for specified, explicit and legitimate purposes
- adequate, relevant and limited to what is necessary
- accurate and kept up to date
- held only for the absolute time necessary and no longer
- processed in a manner that ensures appropriate security of the personal data.

What is personal data?

The GDPR applies to 'personal data' meaning any information relating to an identifiable person who can be directly or indirectly identified in particular by reference to an identifier.

This definition provides for a wide range of personal identifiers to constitute personal data, including name, identification number, location data or online identifier, reflecting changes in technology and the way organisations collect information about people.

How will the GDPR affect LGPS members?
Your LGPS fund will already have procedures in place which comply with similar data protection principles under the Data Protection Act 1998. The new regulations will reinforce these existing requirements, and LGPS members are unlikely to notice a change in the service they receive from their LGPS fund.

How will members know that their LGPS fund is GDPR compliant?
Every LGPS fund will be required to update their privacy notice in line with the new requirements setting out, among other things, why certain data is held, the reason for processing the data, who they share the data with and the period for which the data will be retained. Within the notice, members will also be provided with additional information about their rights under the legislation.

Why do LGPS funds hold personal data?
LGPS funds require various pieces of personal data provided by both the individual member and their employer in order to administer the pension scheme. This data includes, but is not limited to, names, addresses, National Insurance numbers and salary details which are required to maintain scheme records and calculate member benefits.

Who do LGPS funds share personal data with?
On occasion, LGPS funds are required to share personal data with third parties in order to meet regulatory and government requirements, to gather necessary information for the accurate payment of member benefits and to ensure scheme liabilities are met. Each fund’s privacy notice will set out who they share data with; this is likely to include bodies such as scheme employers, fund actuaries, auditors and HMRC.

Can LGPS members ask for their data to be deleted?
The GDPR provides individuals with the ‘right to be forgotten’ in certain limited circumstances. However, in practical terms the exercise of this right in relation to LGPS funds is limited as the deletion of data can prevent the fund from carrying out its duties. LGPS funds are required to process personal data to comply with legal obligations under pension legislation, therefore, the ‘right to be forgotten’ is unlikely to apply to data held by LGPS funds.

What happens if there is a data breach?
Data breaches are a rare occurrence within LGPS funds. However, should a security breach concerning a member’s personal data occur that is likely to result in a risk to that member’s rights and freedoms, there will be a direct obligation under the GDPR for the fund to inform the Information Commissioners Office within 72 hours of the breach taking place.

Nottinghamshire Pension Administration GDPR Action Plan **Action** **1. Administration Strategy and Communications**	**By whom**	**By When**
1.1 Administration Strategy Review and Update to include details of GDPR, explanation of Data Controller and Data Processor roles and responsibilities, data breach and subject access process Report updated Administration Strategy to Pensions Committee – 7 June 2018 Communicate revised Administration Strategy to all Scheme Employer	Pension Manager As above Employer Support & Compliance Team	End of April 2018 June 2018 June 2018
1.2 Communication to LGPS Members LGPC GDPR Question and Answer leaflet – seeking approval from Pensions Committee 19 April 2018 • Hardcopy to be sent to Pensioners with April payslip • Digital copy to be published on Nottinghamshire Pension Fund website and circulated to Scheme Employers	Employer Support & Compliance Team	End of April 2018
2. Training		
2.1 General GDPR training to be rolled out from w/c 9 April 2018 to be completed by 11 May	NCC IG Programme	11 May 2018
2.2 Investigate if any "pension" specific GDPR training is being offered by LGPC/EMPOG	Pension Manager	May 2018
3. Review Data Security Measure and assess Adequacy		
3.1 Develop a compliance plan to ensure appropriate technical and organisational data security measures are in place both at the Authority and with any third party service provider	Group Manager BSC & Pension Manager	May 2018
3.2 Review existing applications and process that involve the use of personal data and ensure that they are secure	Pensions Office	May 2018

3.3 Implement a policy to ensure that data is only stored for the minimum period necessary Awaiting confirmation on LPGS retention policy	Pension Manager	May 2018
3.4 Consider whether data encryption should be used, especially for sensitive personal data such as health data All transfers of members data between Scheme Employers and Administration Authority is via a secure portal. Member data sent via email is password protected.	Pensions Office	May 2018
3.5 Default settings (for example, on members portals) must be configured to automatically provide data security Nottinghamshire Pension Fund does not currently have a live Scheme Employer or Member Portal Scheme Employer portal is development, Data Protection Impact Assessment completed. Security and penetration testing planned	Pension Manager	On going
4. Update Service Provider contracts		
4.1 Work with current service providers and any other third party that received data from the LGPS fund. E.g. actuaries/auditors, to amend the contractual provisions as necessary to comply with the GDPR. NCC Procurement have adopted the Crown Commercial Services GDPR Policy Procurement	Group Manager BSC/NCC Procurement	End of May 2018
4.2 Do not agree to any revised contract without first obtaining proper advice that it does not impose additional obligations on the authority/the fund All future contract changes to be managed by NCC Procurement Centre		
4.3 Ensure that the contractual terms applying to all new appointments are complaint with the GDPR As above		
4.4 Ensure that any third party administrator maintains adequate records Not applicable to Nottinghamshire Pension Fund		
5. Revise and update privacy notices and consider whether member consent is required		
5.1 Review and resend all member privacy notices in order to comply with the GDPR	Group Manager	May 2018

LGPC secretariat have commissioned a third party provider to produce two template privacy notes for LGPS Administering Authorities to be tailored to needs of individual Funds. NCC Legal Services reviewing templates. Once review complete privacy notices will be updated accordingly. 5.2 Review consents the authority relies on to justify the processing of personal data	BSC/NCC Legal Services NCC IG Programme	May 2018
5.3 Consider new or revised consent to data processing by the Fund. New joiner information may need to be updated	Pension Manager/LPGC	May 2018
5.4 Clear records of all privacy notices and consents must be kept	Pension Manager	May 2018
6. DPO and establish a breach management process and subject access requests		
6.1 Establish an effective data breach response plan that ensures any breach is addressed and assessed for the obligation to notify and that the relevant ICO report and any member notifications can be made in a timely fashion Consideration to be given to adopting the Nottinghamshire County Council corporate process	Group Manager BSC/Service Director Customers & HR	May 2018
6.2 Establish an effect subject access request process Consideration to be given to adopting the Nottinghamshire County Council corporate process	Group Manager BSC/Service Director Customers & HR	May 2018
6.3 Appoint a suitably qualified DPO, if you organisation is required to have one. This could be the Authority's appointed general DPO, if there is one, provided that person meets the criteria. Consideration to be given to using the Nottinghamshire county Council DPO	Group Manager BSC/Service Director Customers & HR	May 2018
6.4 Where Administering Authorities share pensions services, one DPO could be appointed to more than one authority in respect of their LGPs funds Not applicable to the Nottinghamshire Pension Fund		

7. Ensure processes are in place to cater for the new individual rights		
7.1 Identify which of the new rights may be exercised by members Awaiting guidance from LGPC	LPGC/Pension Manager	May 2018
7.2 Establish procedures to ensure that the new rights can be exercised Awaiting guidance from LGPC	LPGC/Pension Manager	May 2018
8. Carry out Data Protection Impact Assessment (DPIA)		
8.1 Assess whether any use of personal data would be classified as "high risk" under the GDPR and if so, carry out a DPIA		
8.2 Complete a DPIA for Civica Universal Pension Manager – pension administration system	Pension Manager	May 2018

Nottinghamshire County Council

Report to Nottinghamshire Pension Fund Committee

19 April 2018

Agenda Item: 10

REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HR

PENSION FUND DATA IMPROVEMENT PLAN

Purpose of the Report

1. The purpose of the report is to seek approval for the adoption of the Data Improvement Plan attached as Appendix 1.

Information

2. Nottinghamshire Pension Fund collects and holds large amounts of digital and paper based data and is reliant on the timely receipt of quality data from employers in order to administer the pension scheme.

3. It is important that the fund achieves and maintains the highest possible data quality standards to ensure the cost effective use of resources; remain legally compliant and ensure that the correct pension benefits are paid to its members when they become due.

4. The pension scheme continues to face ongoing legislative changes with oversight of administration and governance now falling under the remit of the Pension Regulator. This has resulted in a heightened responsibility on scheme managers and local pension boards and Pensions Committees to ensure data is readily available and fit for purpose at all times.

5. The Scheme Advisory Board seeks to monitor and contain the overall cost of the LGPS at a national level, and funds are required to provide data to inform their monitoring process.

6. Given the current financial constraints faced by local government, and the cost of delivering fund valuations, it is important that member data is sufficiently robust to inform the valuation exercise and withstand scrutiny from both internal and external audit.

7. The continuing diversification of the employer base (academies), the increasing number of payroll providers and IT systems used to transfer information present the fund with significant operational challenges in meeting statutory record keeping requirements.

8. The data improvement plan for the pension fund is a requirement as set out by the Pensions Regulator. The Pensions Regulator requires all trustees and scheme managers to maintain accurate records. Failure to do so can put the Pension Fund at risk of failing to meet its legal obligations and could lead to enforcement action where schemes are not meeting the standards expected, and are not taking the appropriate steps to improve pension records.

Types of Data

9. The Pension Regulator states that complete, accurate scheme records are a vital part of the pension administrative function, and the regulator defines two types of data held in the scheme records:

    a. **Common Data -** Used to identify scheme members including names, addresses, national insurance number and date of birth.

    b. **Conditional Data -** Essential to calculate benefit entitlements such as, member contributions, pensionable pay, service history. It also encompasses data relating to events that occur during an individual's membership, for example transfers, purchase of additional pension and pension sharing orders.

10. Both types of data are equally important and constitute personal data but are defined separately for the purposes of measurement and relationship to current legal obligations.

Legislative Framework

11. The pension fund collects and uses different types of information relating to members and ex members of the pension scheme with whom it needs to communicate with in order to provide a service. The Data Protection Act 1998 details the requirements and safeguards which must be applied to personal data. The fund is defined as a 'data controller' and must observe the principles relating to the processing of personal data as outlined in the regulations.

12. Management of data will be impacted by the legislative changes effective from 25th May 2018 when the General Data Protection Regulation (GDPR) comes into force. The changes will require a greater level of transparency and accountability on pension funds. The potential implications of GDPR and the actions to be taken by the fund are set out in more detail in a separate report to Pensions Committee.

13. The fund itself, and the employers in the fund, have a legal obligation and statutory duty to comply with a number of other regulations, standards and formal guidance; these include, but are not limited to:

    - LGPS Regulations 2013, as amended;
    - Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014;
    - The Pensions Act 1995,2004,and 2008
    - The Occupational and Pension Schemes (Disclosure of Information) Regulations 2013;
    - Freedom of Information Act 2000;
    - Pension Regulator's Code of Practice No.14

14. The pension fund will therefore need to ensure ongoing compliance with record keeping and data quality standards in line with industry best practice, demonstrating to stakeholders and members the appropriate consideration of the requirements on it.

Key Objectives and Activities of a Data Improvement Plan

15. The key objectives of a data improvement plan include:

    a. Ensuring compliance with the guidance of the Pension Regulator, and establishing a robust, reviewable and transparent framework necessary for the acquisition and up keep of accurate, complete and up to date records.

    b. Addressing data issues which impact on the ability to administer the fund effectively. This includes paying out benefits correctly, processing core transactions, ensuring a high standard of service for members, keeping costs manageable and meeting various legal obligations. These will be identified through the required annual data review, audit, or the valuation process.

    c. Ensuring that accurate records are maintained for the purpose of calculating pension entitlements and employer liabilities; that all information and data is communicated securely and accurately, within prescribed timescales.

    d. Continuing the development of fund systems to ensure ongoing improvement of data quality standards and the processing of data with employers and the administrative team.

    e. Ensuring that employers have a clear understanding of their respective roles and responsibilities and that all parties are committed to continuing engagement and communication to improve data quality and promote accurate record keeping.

    f. Monitoring the delivery of specified activities in accordance with the relevant regulations and the Pensions Regulator's Code of Practice.

    g. Developing electronic submission of member data and documentation with large scheme employers through an employer portal.

    h. Expected Outcomes

16. The expected outcomes that will be achieved by implementing a data improvement plan are as follows:

    a. Improved member service. For example reducing processing times for certain activities.

    b. An increase in the number of annual benefit statements and annual allowance statements issued accurately and on time.

    c. Fewer assumptions required by the scheme actuary when processing the valuation data as more up to date and accurate actual data is available.

    d. Improved administration performance measured against the Service Level Agreement as set out in the fund's Administration Strategy.

    e. Completion of administration tasks.

f. Improvement in data scores which will be reported to the Pensions Regulator.

g. Data Review Activities

17. To ensure compliance with the LGPS regulations and the Pension Regulator Code of Practice the fund will need to undertake a number of the following data related activities as identified in the table below:

Review Activity	Performance monitoring	Timescale
The fund will need to undertake data reconciliation exercises with employers to identify discrepancies within member data sets.	Regular engagement with employers with regards to outstanding data items, with the production of action plans where required	Data reconciliation exercises will be carried out with regular chase of outstanding data.
Following year-end contribution return exercise, the fund will provide employers with a detailed review of errors and data gaps encountered during the year end process	The Administration Team will monitor progress against resolution of errors.	Within 30 days of receipt of complete and correct year end contribution return.
To continually develop the documentation and engagement plan with employers with regard to data provision to the fund.	Assess improvements in data quality.	Ongoing.

The Next Steps

18. An initial Data Improvement Plan has been developed by the Pension Fund's Administration Team in conjunction with the Pension Systems Development Team. The fund's software provider has developed a number of reports to support the work set out in the Improvement Plan.

19. Appendix 1 outlines the main areas of data improvement activity. The plan will be kept under active review and updated as issues and the potential routes for resolution are identified and actioned.

20. The data improvement plan focuses on data which is key to running the scheme and meeting the legal obligations, this includes:

a. Employment records such as employer name, salary records, service history.
b. Employee and Employer contribution history.
c. Information on the value of the member's pension, such as the last estimated value, the date of the estimate and how the pension benefit was calculated.
d. Any benefit specifics including GMP entitlement, HMRC protections or cash entitlements.

21. In addition the Pension Regulator requires the fund to measure the data quality of new and historical data including ensuring that:

   a. All the data fields within the pensions administration database have the correct expected data.
   b. Data items are consistent with each other
   c. Data items are in a valid format, e.g. national insurance numbers have the correct prefix
   d. Regular existence checks are undertaken.

22. A Data Privacy impact Assessment will be undertaken as part of the Improvement Plan.

Third Party Data Services

23. In order to support the improvement of the quality of the pension fund data and support the administrative function the fund uses third party data services which are provided by outside organisations as collaborative ventures (at no or minimal cost).

24. The fund uses the LGPS National Insurance database and 'Tell Us Once' service administered by South Yorkshire Pension Fund Authority on behalf of the Local Government Association (LGA). The secure National Insurance Database was developed for LGPS administering Authorities to share data to prevent the duplicate payment of death grants. When processing the death of a scheme member, officers will check the LGPS National Insurance Database for the existence of membership at other LGPS Funds.

25. The secure LGPS National Insurance Database also facilitates the integration of the funds membership profile into the government 'Tell Us Once' service, as administered by the Department of Work and Pensions (DWP). The 'Tell Us Once' service allows a person registering a death to request that the DWP pass on the deceased's information to other government departments and council services.

26. The National Fraud Initiative (NFI) is administered by the Cabinet Office, the NFI programme is a biennial exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. As a participant, the fund receives a report of 'matches' to investigate, to take remedial actions and update records accordingly.

27. Mortality screening services are provided commercially, and the fund engages the DWP in tracing lost contacts. The fund is also looking at other cost effective ways of tracing lost members.

Other Options Considered

28. There is a requirement by the Pensions Regulator for the pension fund to have a Data Improvement Plan and to monitor and report on progress to deliver this. The fund will be

required to report to the Pensions Regulator when the fund completes its annual report to the regulator which is normally submitted in September.

Reason for Recommendation

29. This report has been compiled to seek Pension Committee approval of the activities being undertaken by the administration team to comply with the requirements of the Pensions Regulator on an ongoing basis.

Statutory and Policy Implications

30. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Data Protection and Information Governance

31. Reference to data protection is included in the body of the report as data protection is fundamental to the management of data within the Nottinghamshire Pension Fund. A data Privacy impact Assessment will be undertaken as part of the Improvement Plan implementation.

Financial Implications

32. The Data Improvement Plan will be delivered within existing resources.

RECOMMENDATION

It is recommended:

1) That the Pension Committee agree to the adoption of the Data Improvement Plan and that update reports on progress are presented to the committee on a six monthly basis.

Marjorie Toward
Service Director – Customers and HR

For any enquiries about this report please contact:
Jonathan Clewes, Pension Manager on 01159773434 or Jon.Clewes@nottscc.gov.uk

Constitutional Comments (KK 27/03/18)

33. The proposal in the report is within the remit of the Nottinghamshire Pension Fund Committee.

Financial Comments ([initials and date TMR 28/03/2018])

34. The financial implications are set out in paragraph 32 of the report.

Human Resources Comments

35. N/A

Background Papers and Published Documents

None

Electoral Division(s) and Member(s) Affected

All

Appendix 1 DATA IMPROVEMENT PLAN				
Data Type	**Data Area Activity**	**Potential Impact on Fund of poor data quality**	**Mitigation**	**Data improvement activities**
D1	Member records	Inability to ensure accurate payment of benefits within prescribed timescales Potential additional administration and legal costs to correct historical data	Frequent ongoing data reconciliation exercises will highlight gaps and anomalies in fund records	• Payroll Reconciliation • GMP Reconciliation • Year End contribution exercise • Ongoing engagement with scheme employers
D2	Allocation of CARE data to member accounts	Failure of the Fund to fulfil its statutory requirement to ensure accurate payment of benefits within prescribed timescales	Continued development of annual return data, to enable the import of employer payroll data into the Pension Administration system.	• Developing secure employer portal to improve the import of employer data. • Working with employers to improve data from third party payroll providers • Working with software provider to enable the import of data into the system.
D3	Data quality control of CARE data received in the year end contribution return	Fund system updated with CARE data that has not been subject to data quality control checks. Impact on annual allowance calculation for members	Continued development of "sanity "checks on pay data submitted. Feedback to employers where anomalies are highlighted.	• Data checks undertaken as part of the year end process. • Send data back to the employer where incomplete data is identified. • Apply the Administration strategy to employers where data issues are identified.
D4	Use of third party data services to improve the quality of data	To ensure accurate payment of benefits.	Ongoing data reconciliation exercise. Procedurally check data when processing death of scheme members.	• LGPS National Insurance Database • Tell us Once Service • National Fraud Initiative. • Mortality screening
D5	Pension Regulator Validation Reports: Common and Conditional Data held within the Pension Administration Data Base.	Ensure accurate data as required by the Pensions Regulator. Required to report improvements to the Pension Regulator in the scheme annual return.	Ensure there are no gaps in the Pension records of members.	• Run a series of pension system reports to enable the identification of anomalies within the Pensions Database.

Appendix 1 DATA IMPROVEMENT PLAN				
Data Type	**Data Area Activity**	**Potential Impact on Fund of poor data quality**	**Mitigation**	**Data improvement activities**
D6	Pension Payroll Data	Incorrect payments to pensioners	Ensure that the Pension Payroll reconciles with the Pension Administration system	• Payroll Data reconciliation project has been started to reconcile the pension payroll.
D7	Active pension records	Requirement by the Pension regulator and ensures accurate information can be provided to the Fund member	Ensure there are no gaps in the Pension records of members.	• Implementation of the Employer Portal to enable large employers of the pension fund to have secure access to their employee pension record, and to enable the employer to update records when changes happen.
D8	Employers Data submissions	Incorrect data submitted to the Pension Fund	Ensure there are no gaps in the Pension records of members.	• Develop and review data processes for employers to submit data to the fund: o New Starters o Leavers o Hours changes o Personal data changes
D9	Guaranteed Minimum Pension data	Incorrect payment of pension benefits: • Overpayments • Underpayments • Incorrect member liabilities • Incorrect data held by HMRC	Ensure that the correct record reconciles with HMRC records and the pension payroll	• GMP Project and resources agreed • External validation and support provided by software provider in undertaking of the reconciliation of the Data. • Audit support.
D10	Annual benefit Statements	Benefit statements issued and sent to incorrect address. A number of returned benefit statements returned to the fund each year.	Ensure communication is issued to the correct address.	• Issue communications reminding members to update the fund of any changes to personal details. • Communication of Pay slips • Communication on the website • Remind employers of their responsibility to update the fund.

Nottinghamshire County Council

Report to Nottinghamshire Pension Fund Committee

19 April 2018

Agenda Item: 11

REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HR

UPDATE ON THE LOCAL GOVERNMENT SCHEME ADVISORY BOARD

Purpose of the Report

1. The purpose of this report is to provide the Pension Committee with an update on the activities of the National Local Government Scheme Advisory Board.

Information

2. The Local Government Scheme Advisory Board is a body set up under section 7 of the Public Service Pensions Act 2013 and the Local Government Pension Scheme Regulations (LGPS).

3. In 2013 the Board was set up in 'Shadow' or pilot form in order to test the format, terms of reference, membership and committees prior to the formalisation of these items in the LGPS Regulations. On 1st April 2015 the board was established as a statutory body, and the formal membership was confirmed early in 2016 with non-voting members and advisors added in the summer of the same year.

4. The purpose of the board is to be both reactive and proactive, and seeks to encourage best practice, increase transparency and co-ordinate technical and standards issues. It will consider items passed to it from the Department of Communities and Local Government ("DCLG"), the board's sub-committees and other stakeholders as well as items formulated within the board. Recommendations may be passed to the DCLG or other bodies. It is also likely that it will have a liaison role with the Pensions Regulator. Guidance and standards may be formulated for local scheme managers and pension boards.

5. The board will from time to time be asked by the local government minister to develop options for scheme developments. For example in 2013 it was asked to assist with the process of reform which led to proposals on investment pooling.

6. As well as responding to requests from government the board can also develop options and recommendations of its own in order to improve the efficiency and effectiveness of the scheme. This has included recommendations to clarify regulations and initiatives outside of the regulations such as investment cost transparency.

7. Finally the board can play a vital role in providing a route for ideas for development from the various stakeholders in the LGPS and a conduit for feedback from government to those ideas. In doing so it seeks to work closely with existing LGPS forums such as CIPFA Pensions Panel, the LGPS Technical Group and the Local Authority Pension Fund Forum.

Current Work Activities of the Scheme Advisory Board

8. The Scheme Advisory Board Website is: www.lgpsboard.org/

9. The last Board Meeting was held on the 16 November 2017 and the main actions points and agreements included:-

Markets in Financial Instruments Directive (MiFID II)

10. MiFID II is concerned with the framework of trading venues/structures in which financial instruments are traded.

11. The secretariat planned to develop guidance to cover communication between investment managers and prospective default retail LGPS clients. The guidance will be co-authored by the Investment Association and legal advisors.

Scheme Advisory Board (SAB) 2017/18 Budget/Levy

12. The Board agreed that a small increase in the levy should be recommended to the minister for approval, this has now been agreed and the Nottinghamshire Pension Fund will be required to pay its contribution alongside other LGPS funds.

13. At its meeting in November the Board agreed to recommend a total levy for 2017-18 across all funds of £405,500 to the Secretary of State. This amount equates to 21 pence per active member as reported in the 2017 SF3 return. This compares to 24 pence in 2015-16 and 20 pence in 2016- 17.

14. The Nottinghamshire Pension Fund has been asked to make provision for an amount of £9,149 in respect of the 2017-18 levy. This amount may change when the levy is formally agreed and notices are dispatched, hopefully in April. However it has been indicated by the board that any change would be a reduction in the amount of contributions paid by the Nottinghamshire Pension Fund.

Implications of the Brewster/ Walker Judgement

15. The Board agreed that a letter from the Chair should be sent to the Local Government Minister and the Chief Secretary to the Treasury. This letter would recommend a move to equalisation of future post-retirement benefits and outline plans to begin pre-emptive work on the cost of back dating following recent legal judgements. In addition, support would be sought from other public service pension scheme advisory boards.

16. Nominated co-habiting partner survivor pensions were introduced into the LGPS from 2008. From April 2014 the requirement for a nomination form to be completed was discontinued.

17. Challenges to the requirement for a nomination form for deaths occurring between April 2008 and 31 March 2014 (inclusive) were highlighted at a national level through the Brewster v Northern Ireland LGPS case, where in 2012 the High Court judgement to allow payment was overturned by the NI Court of Appeal in 2013. In February 2017 the Supreme Court then ruled that a pension should be paid.

18. In August 2017 the DCLG wrote to all LGPS pension managers to advise that they supported payment but would not commit to either providing regulatory change or legal advice.

19. Subsequently many Funds including Nottinghamshire deferred their decision making, awaiting a case currently going through the Courts (Elmes v Essex CC) or sought their own legal advice. Following the judgement the Administration Authority decided to allow payment given that Nottinghamshire had one case that required a decision.

Academies/3rd tier employers' project – update and next steps

20. Following the PwC report, the academies project had entered into its second stage. Following discussion with DCLG and DfE a proposal was made and agreed to form two working groups, administration and funding, based on the high level objectives agreed by the Board.

21. The 3rd tier project work on identifying issues with stakeholders had been awarded to Aon Hewitt. Interviews and surveys are underway and an interim report to the Board is expected at the next meeting in the first quarter of 2018.

22. The key element of this project is information gathering and, on 27 November 2017, the SAB launched three surveys for completion by:

- LGPS Administering Authorities
- Tier 3 Employers
- LGPS members employed by tier 3 employers

23. The surveys were due to close on 31 December 2017. However, in early January 2018 administering authorities were informed that this date was being extended to 31 January 2018. Administering authorities were asked to forward the message onto their 3rd tier employers.

Cost Management Benefit Design and Administration (CMBDA) Committee Update

SAB cost management assumptions

24. The Board noted the recommendations made by the Committee on the assumptions needed for the Board's 2016 cost management mechanism valuation. All recommendations made were agreed by the Board apart from pay growth, discount rate and 50/50 take up rate. These would be further considered by the Chair of the Committee assisted by the Board's actuarial adviser.

Take Up of 50/50 option

25. The results of the 50/50 survey indicated that there appeared to be a general lack of awareness of the option among those completing the survey. It was agreed that a campaign to raise awareness and increase take up be implemented during 2018.

Single Stage IDRP arrangement

26. The Committee had agreed not to recommend any change from the existing two stage IDRP arrangement but to invite the Board to agree to work being undertaken to examine ways in which the current arrangement could be improved and streamlined.

Ill-health working group

27. Investment, Governance and Engagement Committee had agreed that the working group should be re-convened and report back to the Board in 2018.

Responsible Investment Guidance

28. It was agreed that once a draft of the guidance on responsible investment was complete it should be sent to administering authorities for comment.

Cost Transparency/Procurement Working Group

29. Over 25 investment managers had signed up to the LGPS Code of Transparency, and the FCA's Institutional Disclosure Working Group (IDWG) had begun working on a template to cover all institutional investors using the LGPS as a basis for development.

30. The procurement working group had met and drafted a time plan for procuring a third party service; for compliance checking which aims to agree a specification by the second quarter of 2018 and commence the procurement process in the third quarter.

31. The Scheme Advisory Board Website is: www.lgpsboard.org

Other Options Considered

32. It was agreed previously at Pension Committee that an update report be brought to a future meeting.

Reasons for Recommendation

33. This report has been compiled to inform the Pension Committee of the activities of the LGPS Scheme Advisory Board and how they impact on the work of the Administration Authority in its governance of the Nottinghamshire Pension Fund. The implications of the work of the Scheme Advisory Board can then be considered and reflected in the work of the Pension Board and Pension Committee in their work plans.

Statutory and Policy Implications

34. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Data Protection and Information Governance

35. There are none arising directly for the Nottinghamshire Fund as a result of the contents of the report as this is for Member information only.

Financial Implications

36. That the Board note the cost of the Levy approved by the Scheme Advisory Board of £9,149 to be confirmed and invoiced to the Nottinghamshire Pension Fund in April 2018.

RECOMMENDATION

It is recommended:

1) That the Pension Committee consider the activities of the Scheme Advisory Board and ensure that the Administering Authority implements the recommendations of the Board once they are formally communicated to Pension Funds.

Marjorie Toward
Service Director – Customers and HR

For any enquiries about this report please contact:

Jonathan Clewes, Pension Manager on 01159773434 or Jon.Clewes@nottscc.gov.uk

Constitutional Comments (27/03/18)

37. The proposal in the report is within the remit of the Nottinghamshire Pension Fund Committee.

Financial Comments (28/03/2018)

38. The cost of the Levy can be contained within existing budgets.

Human Resources Comments

39. N/A

Background Papers and Published Documents

None

Electoral Division(s) and Member(s) Affected

All

Nottinghamshire County Council

Report to Pension Fund Committee

19 April 2018

Agenda Item: 12

REPORT OF CORPORATE DIRECTOR, RESOURCES

WORK PROGRAMME

Purpose of the Report

1. To consider the Committee's work programme for 2018-19.

Information

2. The County Council requires each committee to maintain a work programme. The work programme will assist the management of the committee's agenda, the scheduling of the committee's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and committee meeting. Any member of the committee is able to suggest items for possible inclusion.

3. The attached work programme has been drafted in consultation with the Chair and Vice-Chairs, and includes items which can be anticipated at the present time. Other items will be added to the programme as they are identified.

4. As part of the transparency introduced by the revised committee arrangements from 2012, committees are expected to review day to day operational decisions made by officers using their delegated powers. It is anticipated that the committee will wish to commission periodic reports on such decisions. The committee is therefore requested to identify activities on which it would like to receive reports for inclusion in the work programme.

Other Options Considered

5. None.

Reason/s for Recommendation/s

6. To assist the committee in preparing its work programme.

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required

RECOMMENDATION/S

1) That the Committee considers whether any amendments are required to the Work Programme.

Jayne Francis-Ward
Corporate Director, Resources

For any enquiries about this report please contact: Pete Barker, x 74416

Constitutional Comments (HD)

8. The Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

Financial Comments (NS)

9. There are no direct financial implications arising from the contents of this report. Any future reports to Committee on operational activities and officer working groups, will contain relevant financial information and comments.

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All

PENSION FUND COMMITTEE – WORK PROGRAMME (as at 11 April 2018)

Report Title	Brief summary of agenda item	Report Author
7 June 2018		
Fund Valuation & Performance – Qtr4	Summary of quarterly performance	Tamsin Rabbitts
Future of the In-House Equity Portfolio	Options for the future management of the portfolio	Tamsin Rabbitts
Fund Valuation & Performance	Details review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's Report	Independent Adviser's review of performance and managers reports (exempt)	William Bourne
Managers Reports	Quarterly reports from Kames, Schroders and ASI (exempt)	Relevant fund managers
Pension Administration Annual Performance & Strategy Review	Report detailing the Administering Authority and Scheme Employers performance against the Admin Strategy including any data breaches	Jon Clewes
19 July 2018		
Proxy Voting	Summary of voting activity during quarter 1 of 2018	Ciaran Guilfoyle
LAPFF Business Meeting	Report from LAPFF Business Meeting	Ciaran Guilfoyle
Working Party Report	Update on issues discussed at June meeting	Keith Palframan
PLSA conference	Report from PLSA conference	Nigel Stevenson
National GMP Reconciliation update	Update on progress with the national GMP reconciliation project	Jon Clewes
LGPS Central Update	Update on the latest position	Keith Palframan

13 September 2018		
Fund Valuation & Performance – Qtr 2	Summary of quarterly performance	Tamsin Rabbitts
Fund Valuation & Performance	Details review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's Report	Independent Adviser's review of performance and managers reports (exempt)	William Bourne
Managers Reports	Quarterly reports from Kames, Schroders and ASI (exempt)	Relevant fund managers
4 October 2018		
Annual General Meeting		
15 November 2018		
Proxy Voting	Summary of voting activity during quarter 2 of 2018	Ciaran Guilfoyle
LAPFF Business Meeting	Report from LAPFF Business Meeting	Ciaran Guilfoyle
10 January 2019		
Fund Valuation & Performance – Qtr2	Summary of quarterly performance	Tamsin Rabbitts
Fund Valuation & Performance	Details review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's Report	Independent Adviser's review of performance and managers reports (exempt)	William Bourne
Managers Reports	Quarterly reports from Kames, Schroders and ASI (exempt)	Relevant fund managers
Admission Body Status Update	Details of organisation who satisfy the criteria to be admitted to the LGPS (as required)	Andy Durrant

7 March 2019		
Fund Valuation & Performance – Qtr 3	Summary of quarterly performance	Tamsin Rabbitts
Fund Valuation & Performance	Details review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's Report	Independent Adviser's review of performance and managers reports (exempt)	William Bourne
Managers Reports	Quarterly reports from Kames, Schroders and ASI (exempt)	Relevant fund managers
25 April 2019		
Proxy Voting	Summary of voting activity during quarters 3 & 4 of 2018	Ciaran Guilfoyle
LAPFF Business Meeting	Report from LAPFF Business Meeting	Ciaran Guilfoyle
LAPFF Conference	Report from the LAPFF conference	Tamsin Rabbitts
LGPS Scheme Advisory Board Update	*6 monthly report updating members on the work of the SAB if anything of note*	*Jon Clewes/Ciaran Guilfoyle*
Admission Body Status Update	Details of organisation who satisfy the criteria to be admitted to the LGPS (as required)	Andy Durrant

6 June 2019		
Fund Valuation & Performance – Qtr 4	Summary of quarterly performance	Tamsin Rabbitts
Fund Valuation & Performance	Details review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's Report	Independent Adviser's review of performance and managers reports (exempt)	William Bourne
Managers Reports	Quarterly reports from Kames, Schroders and ASI (exempt)	Relevant fund managers
Pension Administration Annual Performance & Strategy Review	Report detailing the Administering Authority and Scheme Employers performance against the Admin Strategy including any data breaches	Jon Clewes
18 July 2019		
Proxy Voting	Summary of voting activity during quarter 1 of 2016	Ciaran Guilfoyle
LAPFF Business Meeting	Report from LAPFF Business Meeting	Ciaran Guilfoyle
Update on LGPS Asset Pooling	*(If required)*	*Keith Palframan*
PLSA conference	Report from PLSA conference	Nigel Stevenson