

Local Pensions Board

Thursday, 16 December 2021 at 10:30

County Hall, West Bridgford, Nottingham, NG2 7QP

AGENDA

- | | | |
|---|--|---------|
| 1 | Minutes of the last meeting held on 30 September 2021 | 1 - 8 |
| 2 | Apologies for Absence | |
| 3 | Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | |
| 4 | Local Government Pension Scheme - Actuary Report and Presentation | 9 - 40 |
| 5 | Local Government Pension Scheme - Transforming Administration Update | 41 - 48 |
| 6 | Revision of Fund Strategy Documents | 49 - 52 |
| 7 | Local Government Pension Scheme - Breaches Log Report | 53 - 70 |
| 8 | Pension Fund Risk Register | 71 - 92 |
| 9 | Pension Board Work Programme 2021-2022_ | 93 - 98 |

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 Martin Gately (Tel. 0115 977 2826) 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>

minutes

Meeting NOTTINGHAMSHIRE LOCAL PENSION BOARD

Date Thursday 30 September 2021 at 10:30 am

membership

Persons absent are marked with 'A'

Employers

Councillor Francis Purdue-Horan	Nottinghamshire County Council
Councillor Sally Longford A	Nottingham City Council
David Smith	Autism East Midlands

Members

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

Also in Attendance

John Raisin	John Raisin Financial Services Ltd, Advisor to the Board (via Teams)
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Officers in Attendance

Jon Clewes	Team Manager, Pensions
Martin Gately	Democratic Services Officer
Ciaran Guilfoyle	Investments Officer (via Teams)
Sarah Stevenson	Group Manager, Business Services Centre

1. ELECTION OF CHAIRMAN

Following a vote, Mr Thulani Molife was unanimously elected to be Chairman of the Local Pension Board

2. MINUTES

The minutes of the last meeting held on 30 March 2021 were agreed following a drafting amendment and signed by the Chairman.

3. APOLOGIES FOR ABSENCE

Apologies had been received from Councillor Sally Longford, who was on other City Council business.

4. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

None.

5. LOCAL GOVERNMENT PENSION SCHEME PENSION ADMINISTRATION PERFORMANCE REPORT

Mr Clewes introduced the report, the purpose of which was to inform the Nottinghamshire Local Pension Board of the work of the Pension Administration Team for the four quarters up to 31 March 2021. Mr Clewes indicated that it had been a challenging year for pensions administration due to the ongoing emergency. There had also been the introduction of the exit cap (and its suspension) along with the planning for a response to the McCloud judgement.

The report picks up a number areas of interest for the Board, these being the cost of administration, as well as how the Fund is benchmarked against other funds.

Data quality continues to be high on the Pension Regulator's agenda and work is ongoing to improve our data.

The report outlines the member and employer statistics 145,000 scheme member and 298 active employers. The scheme continues to work with employers – mainly multi-academy trusts to consolidate data. Work is also being undertaken following an application by a scheme employer to transfer into the scheme members of multi-academy trusts from outside Nottinghamshire.

Transfers of schemes are fully funded and do not transfer liabilities; academies are also pooled within our fund.

The report provides a list of employers and types of new employer bodies. This year, one of the most general complaints has been the calculation of benefits, along with complaints in relation to one of our AVC providers. The issue of AVC's has not been unique to the Nottinghamshire Fund and has extended across other LGPS funds, this issue has required the AVC provider, the Prudential, to self-report to the regulator. The Prudential have been experiencing difficulty with collecting member contributions, along with calculating and paying benefits It has been reported by the Prudential that these issues have been due to the implementation of a new administration system and member Portal.

The fund also continues to receive subject access requests as a result of possible fraudulent activity. This is a national issue and we await further details on a response from the LGA.

This year there has been a reduction in the number of KPI processes due to the move to homeworking. Member death processes have also remained a challenge and the fund has followed the national trend in respect of mortality. The scheme actuary will attend the Pension Board at its December meeting to provide a presentation on the Valuation but will also include some information on mortality.

In response to queries raised by members, Mr Clewes explained the operation of the cipfa benchmarking club and how the average cost per member was calculated. In addition, Mr Clewes confirmed that the Prudential was not the funds only AVC

provider, there was also Scottish Widows. Issues around AVCs have also taken up a lot of Pensions Teams time this year.

In response to a question from the Chairman, Mr Clewes indicated that there had been issues over resources and the Pension Committee had been asked for further resources and these were granted on a temporary basis for two years. Sarah Stevenson added that we needed to be mindful of the national picture in relation to difficulties recruiting.

Mr Clewes undertook to bring a report to a future meeting on cipfa benchmarking.

RESOLVED 2021/011

That:-

- 1) The performance of the administration of the pension fund, and the continued development of systems and processes that will improve services to members of the fund be considered.

6. LOCAL GOVERNMENT PENSION SCHEME – PENSION SCAMS

Sarah Stevenson, Group Manager, Business Services Centre introduced the report, the purpose of which was to update the Board on Pension Scam activities and the requirements of the Pension Regulator and Pension Scheme Act 2021 on the Nottinghamshire Pension Administration Service.

Ms Stevenson stated that since 2017, pension scam losses totalling over £30 million had been reported nationally according to complaints filed with Action Fraud, though the true losses may be much higher. Tell tale signs of a scam include, unsolicited approaches, not being able to call a company back and being pressured to make a quick decision.

The scam prevention regulations are expected to be in place in early Autumn 2021 and will remove the statutory right of a member to transfer their pension out where there is no genuine employment link between the member and the occupational pension scheme the transfer would be destined for.

There will also be specific training regarding scams for Pensions Committee and Pensions Board Members.

In response to a question from the Chairman, Ms Stevenson explained that CETV stood for cash equivalent transfer value.

In response to a question from Mr Heppenstall asking if any money had ever been retrieved from a scammer, Ms Stevenson stated that money passed to a scammer tended to be lost. There was an instance involving Northumbria Police's fund where the Ombudsman indicated that funds had to be reinstated to a scheme member who had been defrauded because due diligence had not been followed. Work is being undertaken with the law firm, Freeths, to ensure that our due diligence is robust. Mr Clewes added that a leaflet had been sent to pension scheme members (both active and deferred) with their annual statement of benefit warning of the risks of being defrauded by scammers

The Chairman thanked officers for the additional work that they do protecting the interests of pension scheme members seeking to transfer their funds who may not realise how vulnerable they are.

RESOLVED 2021/012

That:

- 1) no further actions were required by the Board, at this point, in relation to supporting the Fund to combat pension scams.
- 2) the Nottinghamshire Pension Fund commitment to the Pensions Regulators pledge to combat scams be supported.
- 3) the Nottinghamshire Pension Fund pension scam action plan shown in Appendix 1 be supported.

7. THE LOCAL GOVERNMENT PENSION BOARD REVIEW 1 APRIL 2020 TO 31 MARCH 2021

John Raisin, Advisor to the Board, introduced the report, the purpose of which was to review the activity of the Nottinghamshire Local Pension Board for the period 1 April 2020 to 31 March 2021.

Mr Raisin referenced that the Pension Board had undertaken the required number of meetings and that a Pension Board workshop had also taken place. Examining the Risk Register had been an important part of the Board's work, and there had been active questioning in relation to it. The Board's examination of the Risk Register had also allowed the Board to raise questions with both administration and investment officers. Mr Raisin also emphasised that the main focus of the Board's work had been on pensions administration, and this was appropriate.

Mr Raisin also referred to the report received by the Board on "Transforming pension administration through digital developments and new ways of working" which had been considered by the Board at its 10 December 2020 meeting. The Board also received reports on the McCloud case, the exit payment to public sector employee restrictions, and other wider LGPS updates.

Mr Raisin indicated that the informal Pension Board Workshop which took place on 4 February 2021 had been an extremely valuable meeting featuring broad ranging and diverse discussion. Issues discussed included the greater frequency of meetings for the Board and building relations with the Pension Committee.

RESOLVED 2021/013

That:

- 1) the report be received and considered
- 2) no further action was required in relation to the information contained in the report.

8. TRAINING PLAN UPDATE REPORT

Mr Raisin introduced the report, the purpose of which was to provide the Nottinghamshire Local Pension Board with a training plan for 2021-2022 and going forward.

Mr Raisin stated that there was a statutory duty under legislation on Pension Board Members to undergo ongoing training and updating. The Pension Regulator Code of Practice No 14 Governance and Administration of Public Service Pension Schemes requires that Scheme Managers should establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support Pension Board Members to enable the Board to meet its statutory obligations.

Mr Raisin also highlighted the benefits of the fund actuary attending the Board to provide training, as well as the Board attending external training and seminars; and undertaking an annual training needs analysis.

RESOLVED 2021/014

That:

- 1) the Training Plan as outlined in Appendix 1 be considered, and consideration be given to training needs on an ongoing basis.

9. UPDATE ON TOPICS AND DEVELOPMENTS RELATING TO THE LOCAL GOVERNMENT SCHEME INCLUDING THE SCHEME ADVISORY BOARD

Mr Raisin introduced the report, the purpose of which was provide the Board with a high-level summary of the main topics and developments relating to the Local Government Pension Scheme.

Mr Raisin highlighted two awaited consultations from MHCLG, (now renamed to be the Department for Levelling Up, Housing and Communities) the first on investment pooling guidance and the second relating to the Task Force on Climate Related Financial Disclosures.

Mr Raisin further highlighted that crucially, all asset pools are creations of their constituent LGPS Funds and are ultimately accountable to them. Furthermore, all assets continue to belong to the individual LGPS Funds not the Pools. Mr Raisin pointed out the limited remit of the Pools.

Mr Raisin thought that the consultation on investment pooling would be likely to come out in 2022 rather than 2021 now. He also emphasised that it was essential that there should be absolutely no further drift of responsibility from Funds to Pools.

Mr Raisin indicated that the Task Force on Climate Related Financial Disclosures was thought likely to be issued in [Page 5 of 96](#) and that age discrimination in the

LGPS (“McCloud”) was also a high priority for the Department for Levelling Up, Housing and Communities.

Mr Raisin also briefed the Board on the Pension Regulator’s consultation from March 2021 which sought to combine 10 of the existing Codes of Practice (including Code No 14) into one consolidated Code. An interim response from the Regulator indicates that they do not expect to lay a new code before Parliament until spring 2022. Since the regulator is engaging with interested parties, the proposals may be further amended.

Finally, Mr Raisin referenced the increase in Normal Minimum Pension Age which will come into effect from April 2028 and raise the age at which scheme members will likely be able to normally access their pensions from 55 to 57 in accordance with the Government’s view that pensions should not normally be accessed more than ten years before state retirement age.

In response to a question from the Chairman regarding the consolidated code, Mr Raisin indicated that the finalised code would be available on the Regulator’s website to anyone who wished to examine it.

Regarding the increase in Normal Minimum Pension Age, Mr Raisin indicated that length of service was not a factor in relation to this change. There may be protection and transitional arrangements.

RESOLVED 2021/015

That:

- 1) the activities of the Scheme Advisory Board be considered, and the work programme be updated to reflect the recommendations of the Scheme Advisory Board if appropriate.

10. PENSION FUND RISK REGISTER

Mr Clewes introduced the report, the purpose of which was to present the Nottinghamshire Pension Fund Risk Register to the Board and explained that the Risk Register was provided on a meeting by meeting basis.

In response to a question from Mr Smith regarding better investment returns, Ciaran Guilfoyle indicated that he would find out the answer and circulate the information to Board members.

RESOLVED 2021/016

That:

- 1) no further actions were required in relation to the issues contained within the Risk Strategy report.

11. WORK PROGRAMME

Mr Clewes indicated that the scheme actuary would be attending the next meeting of the Board.

Mr Smith reminded officers that the Board had previously agreed to include the Pension Fund annual accounts on the work programme.

RESOLVED 2021/017

That:

- 1) amendments to the work programme be considered.

The meeting concluded at 12.09 pm.

CHAIR

16 December 2021

Agenda Item: 4

REPORT OF THE SERVICE DIRECTOR – CUSTOMERS, GOVERNANCE AND EMPLOYEES

LOCAL GOVERNMENT PENSION SCHEME (LGPS) – ACTUARY REPORT AND PRESENTATION

Purpose of the Report

1. The purpose of the report is to introduce training by the Fund Actuary on the next tri-ennial valuation commencing on 31 March 2022.

Information and Advice

Background

2. In accordance with the Local Government Pension Scheme regulations, a valuation of the Pension Fund must be carried out every 3 years.
3. The purpose of a valuation is to assess the Fund's financial position i.e. are the Fund's assets sufficient to meet its projected liabilities; set out the assumptions for future inflation and investment returns and review the employer contribution rates.
4. The employer contribution rates are set at a level sufficient to secure the ongoing liability of the fund and may be amended as a result of each valuation.
5. Member contribution rates are set in the scheme regulations and are not part of the valuation process.

Training

6. The Presentation objective is to provide training to the Board ahead of the next tri-ennial valuation commencing on 31 March 2022. The presentation will cover the purpose and objectives of the valuation, the approach as well as the importance of assumptions, including a look the recent data informing life expectancy. The presentation will also take a look back at the 2019 funding position and what the Fund might expect at 2022.

Financial Implications

7. There are no direct financial Implications.

RECOMMENDATION

It is recommended:

1. That the Nottinghamshire Pension Board accept the Presentation of the Scheme Actuary

Marjorie Toward

Service Director – Customers, Governance, and Employees

For any enquiries about this report, please contact:

Jonathan Clewes, Pension Manager on 01159773434 or jon.clewes@nottsc.gov.uk

Constitutional Comments (KK01/12/2021)

8. The proposal in this report is within the remit of the Nottinghamshire Local Pension Board .

Financial Comments (KP01/12/2021)

9. There are no financial implications in relation to 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'

Nottinghamshire County Council Pension Fund

Board Training 16 December 2021
2022 Actuarial Valuation

Barry McKay FFA, Partner
Kelly Steele, Actuarial Assistant

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What is a valuation?



How do we value liabilities?



How do we value assets?



How do we set contribution rates for employers?



Hot topics and looking ahead...

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What is a valuation?



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What is a funding valuation?



Liabilities

- Financial value of a promise
- Member entitlements
- Funded scheme



Assets

- Long-term investments
- Suitable risk
- Investment return on assets



Contributions

- Employee & employer
- Stability
- Cost efficiency

First project cashflows....

Step 1

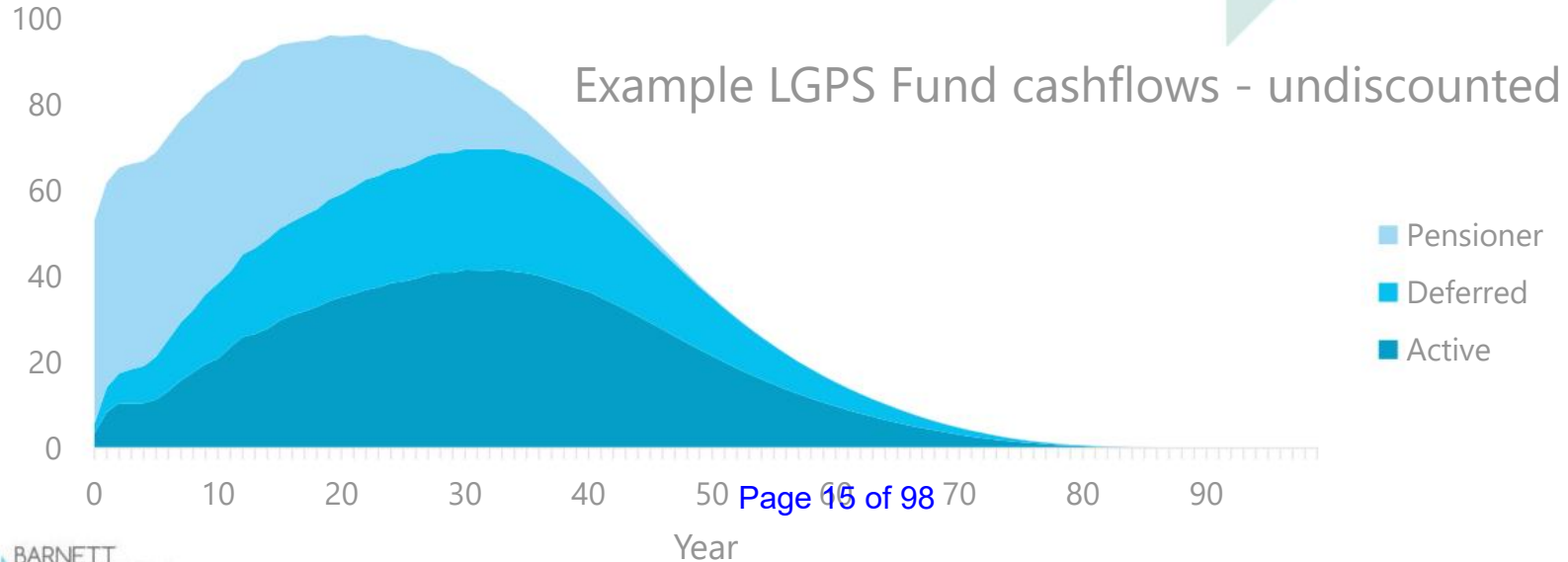
- Project all possible benefit payments for every member

Step 2

- Attach probabilities to each possible payment to get "expected" payments

Step 3

- then...



...then “discount” for today’s values

Step 1

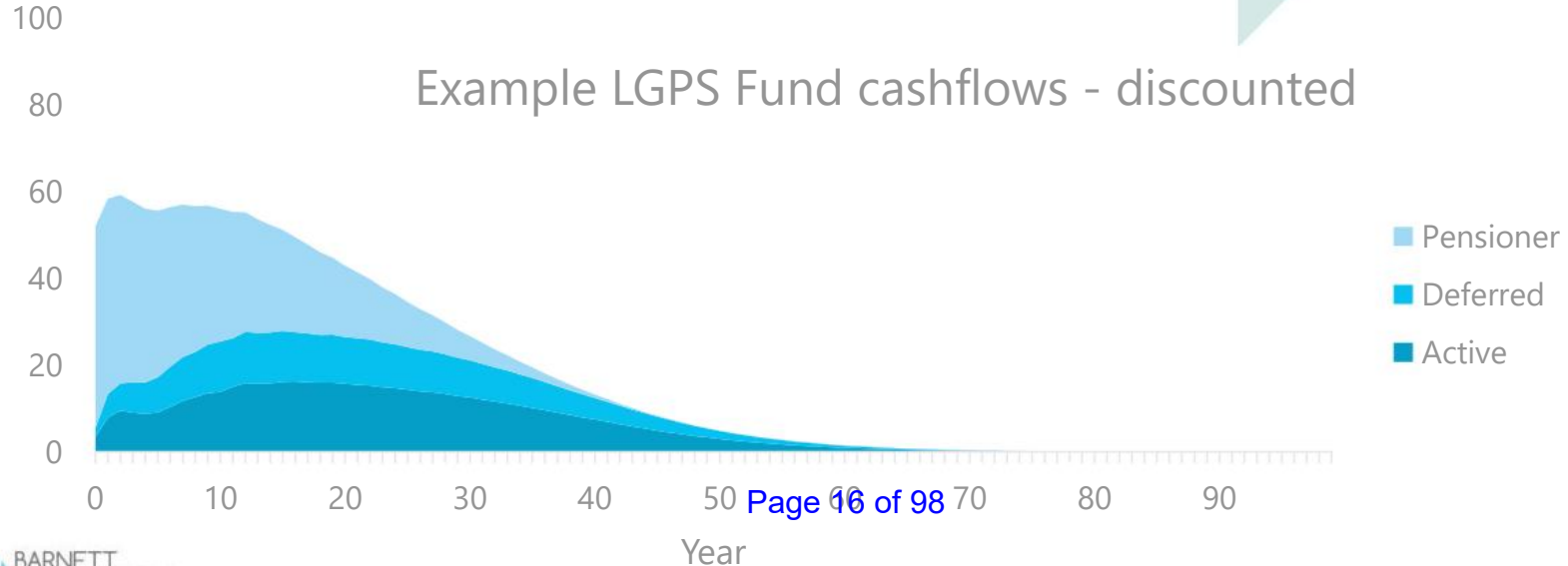
- Project all possible benefit payments for every member

Step 2

- Attach probabilities to each possible payment to get “expected” payments

Step 3

- Then discount payments to today’s “present value”



Your last funding valuation

Funding position

- Liabilities of £5,820m
- Market value of assets £5,415m
- Funding level of 93%

Employer contributions

- Primary rate of 17.9%
- Total equivalent contribution rate 21.6%

Section 13

- SAB funding level 100%
- Green flags

How to value liabilities

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Valuing liabilities for each employer



Member data for details of the benefits

Assumptions about future **amount** of benefit

Assumptions about **when** benefits will be paid

Actuary builds **model** and runs (lots of) calculations

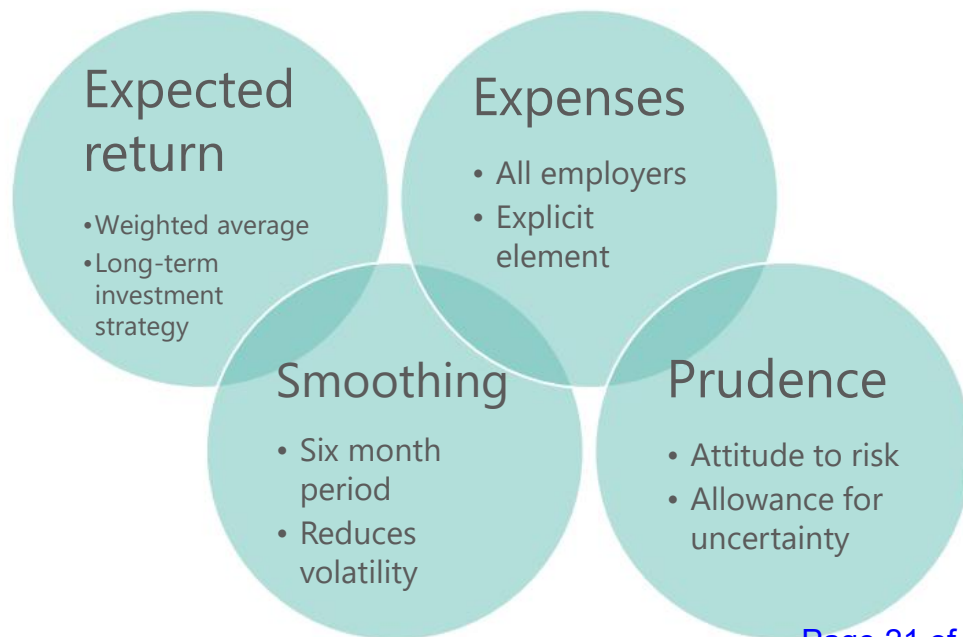
Liability for each individual employer, in line with FSS

Key actuarial assumptions - financial



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Key assumption - discount rate



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Varies by Fund
Standardised for S13

Varies by employer
Employer covenant and circumstances

Varies over time
Updated for market conditions

Impact of increase in each assumption



Pension increases (CPI)

- Increases liability for **all members**
- All benefit payments are higher

Salary increases

- Increases liability for **active members**
- Final salary benefit payments higher

Discount rate

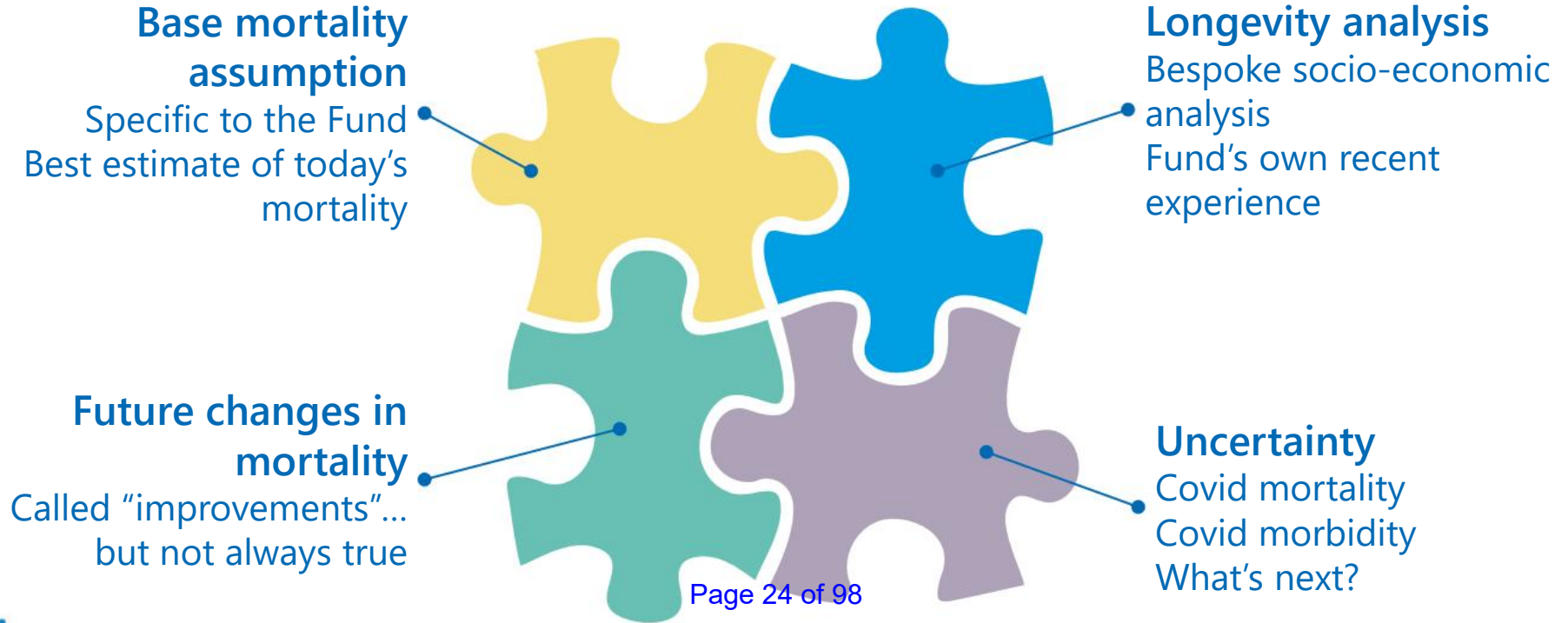
- Reduces liability for **all members**
- Investment return does more work

Key actuarial assumptions - demographic



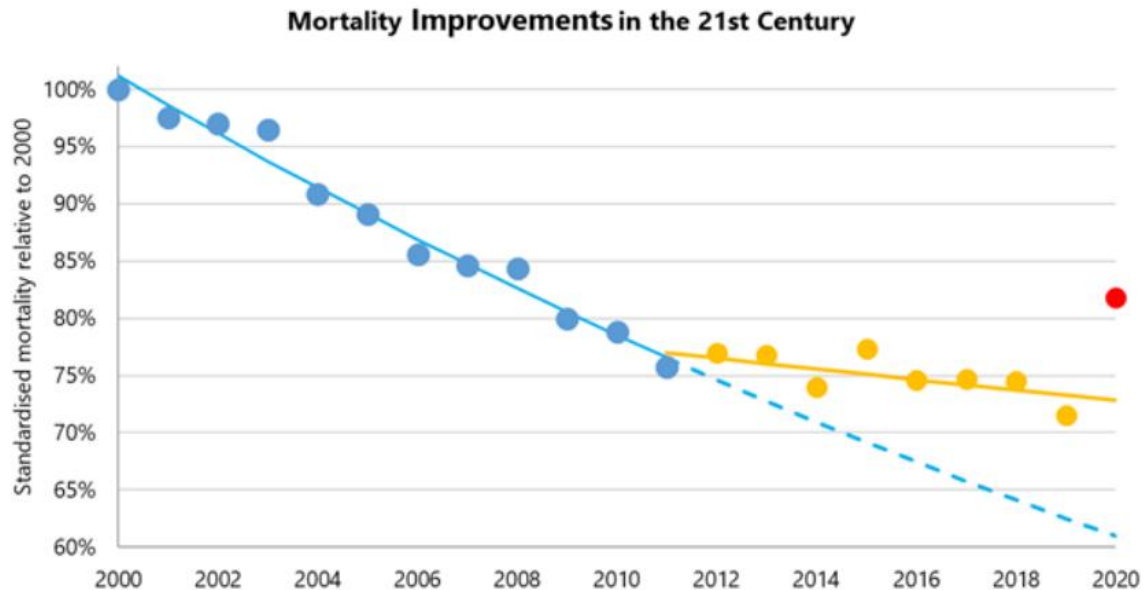
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Key assumption - mortality



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How is mortality changing?



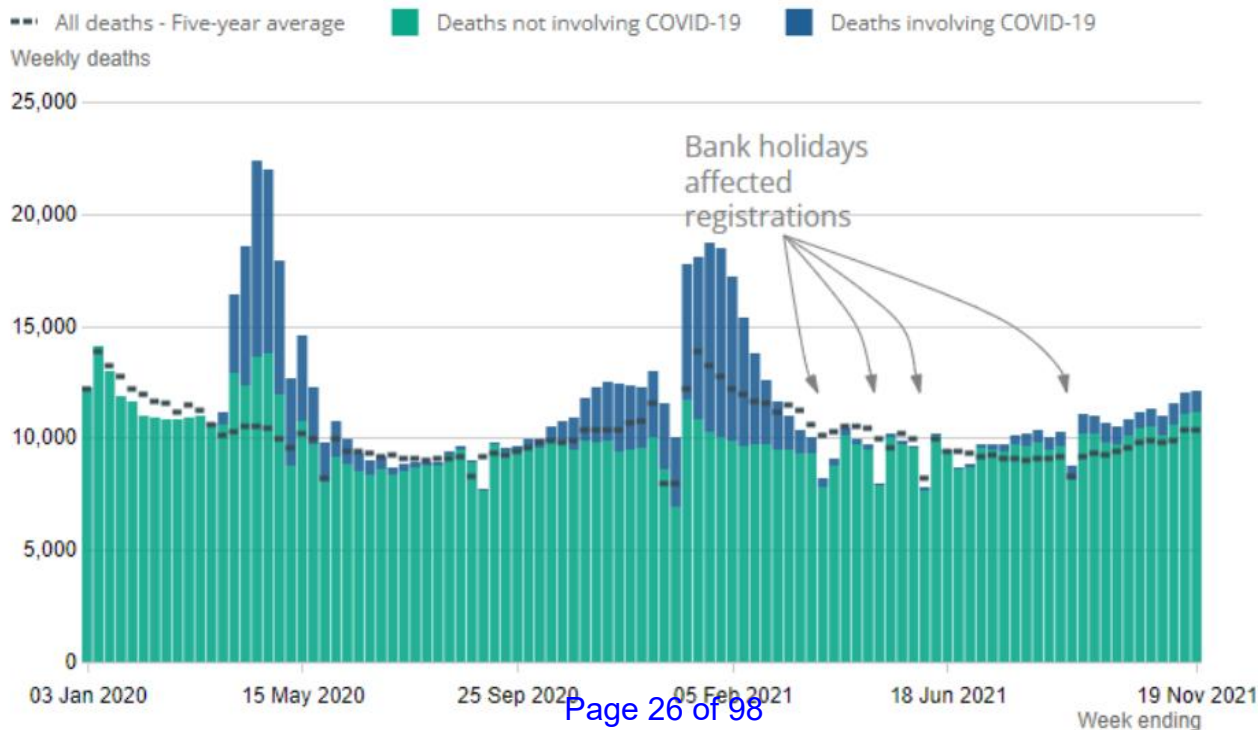
Source: Barnett Waddingham calculations based on Office for National Statistics data for England and Wales and Continuous Mortality Investigation Ltd (CMI) methodology

First recorded UK
Covid death 30 January
2020

100,000 UK Covid
deaths by 22 January
2021

124,000 deaths above
5 year average E&W
(to November 2021)

Impact of Covid-19



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Source: Office for National Statistics – Deaths registered weekly in England and Wales

Your Fund - Impact of Covid-19



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How to value assets

3

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Valuing assets for each employer



Employer contributions

4

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Contribution rates for each employer



Primary rate or future service rate

Funding position for **deficit or surplus**

Appropriate deficit **recovery period**

Secondary rate or "deficit" contribution

Total contributions for each employer in
Rates and Adjustments certificate

What affects employer contribution rate?

Primary rate

- Employer share only
- Membership profile



Secondary rate

- Deficit recovery period
- Regular lump sums, % of payroll, something else?



Funding risks

- Employer covenant
- Risk-sharing or guarantees



Funding strategy statement

- Stability
- Solvency & long-term cost efficiency



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Looking ahead to key issues

5

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Key issues affecting LGPS

- Age discrimination remedy
- Underpin increases employer cost
- Huge admin project

McCloud

- Cost cap and floor
- 2016 process paused in Jan 2018
- SAB & HMT

Cost
Management

- Public sector reform from 4 Nov 2020
- Contradictory regulations in force
- 12 Feb 2021 revoked by HMT

Exit Reform

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Wider key issues



Covid

- Short and long term impact
- Mortality and morbidity
- Demographic changes

Climate emergency

- Working with investment advisers
- Scenario analysis

Future inflation

- Long term inflation
- Employee participation

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How can we help your Fund?



Keeping you up to date



Bespoke advice



Benefits & governance support



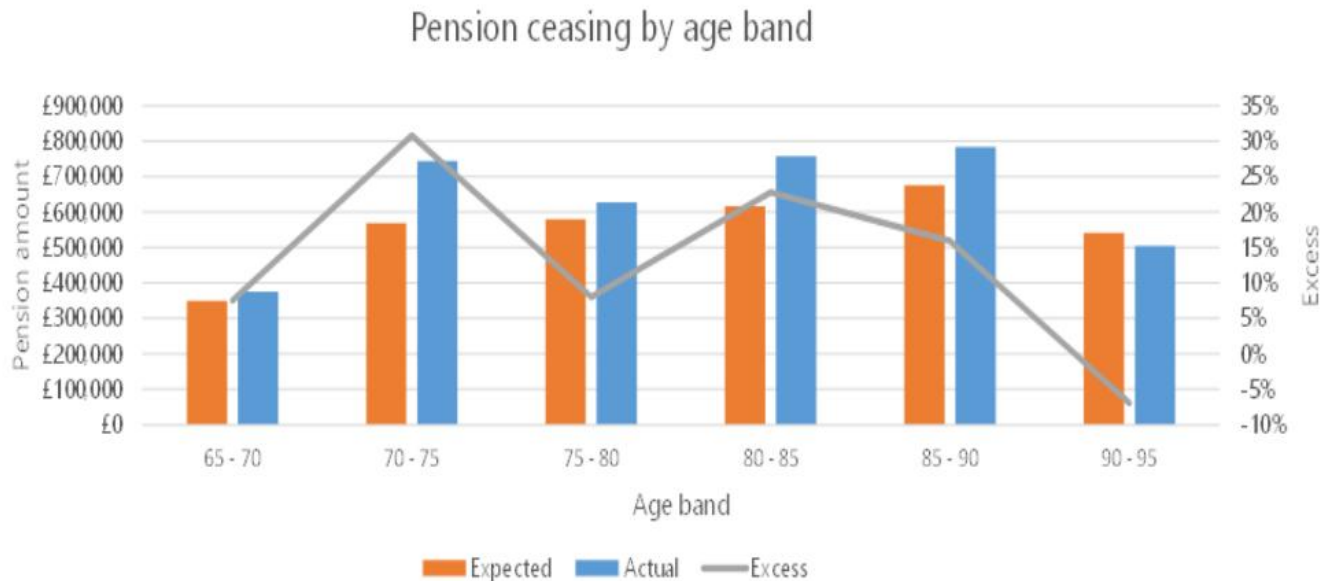
Training available

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THANK YOU

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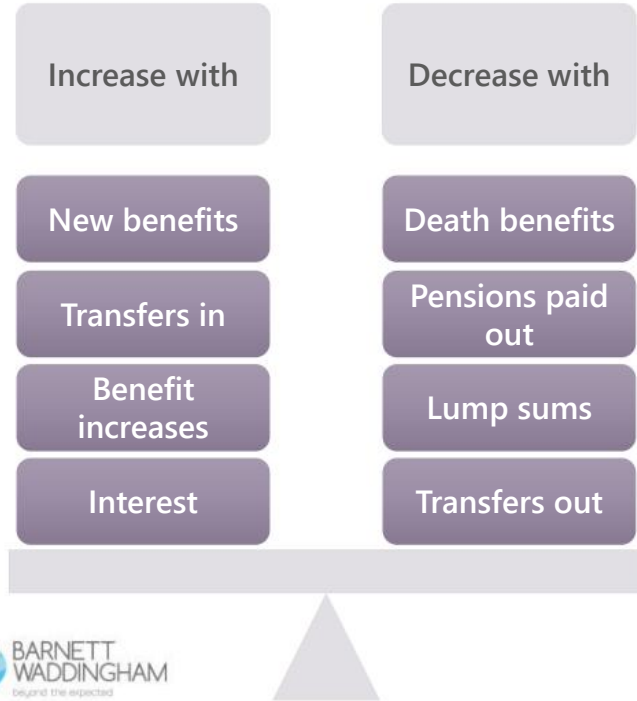
Your Fund - Impact of Covid-19



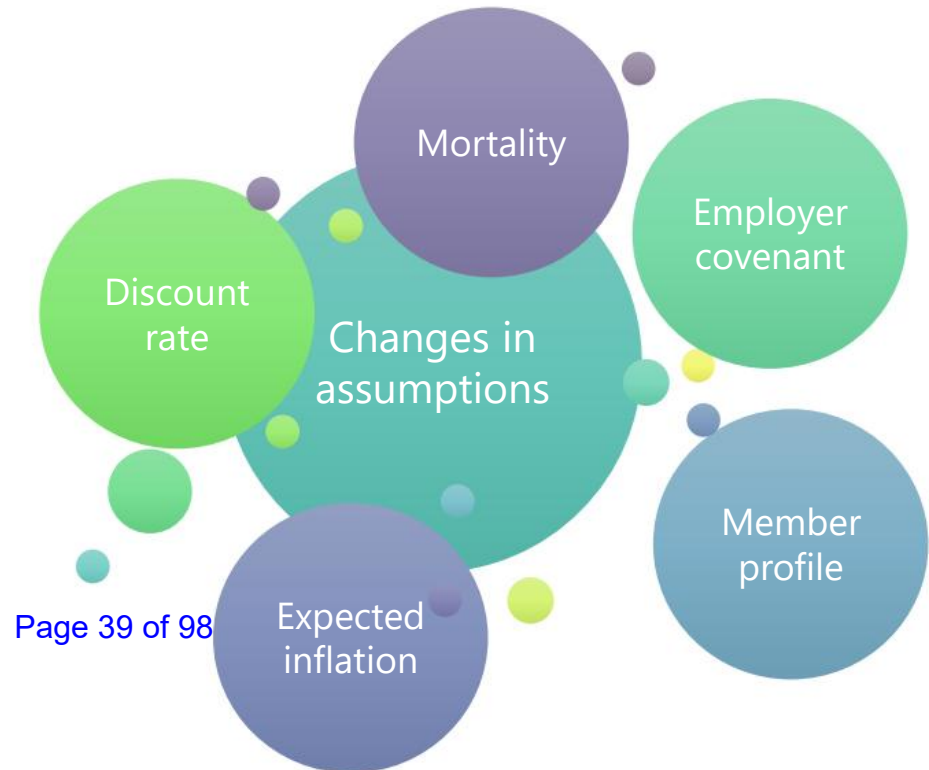
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How do liabilities change over time?

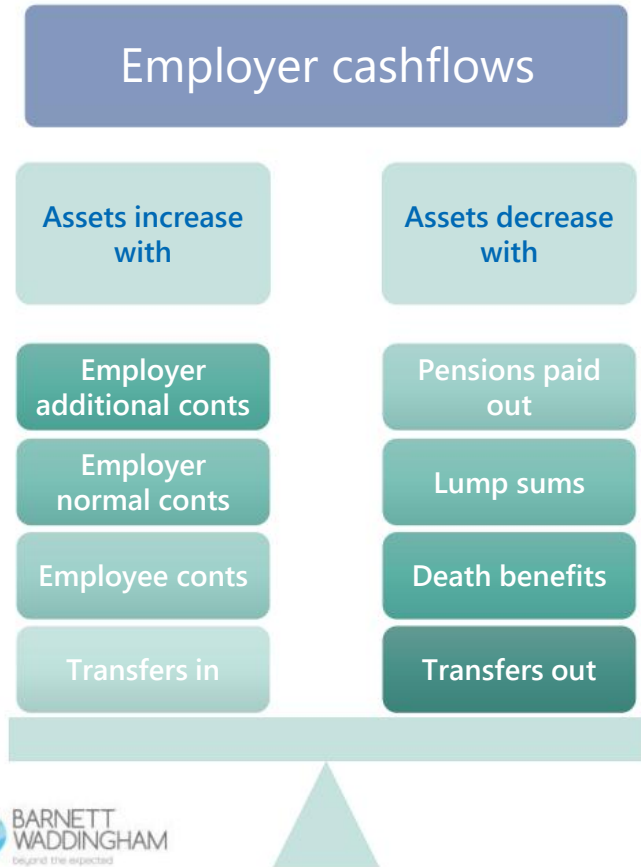
Underlying liabilities



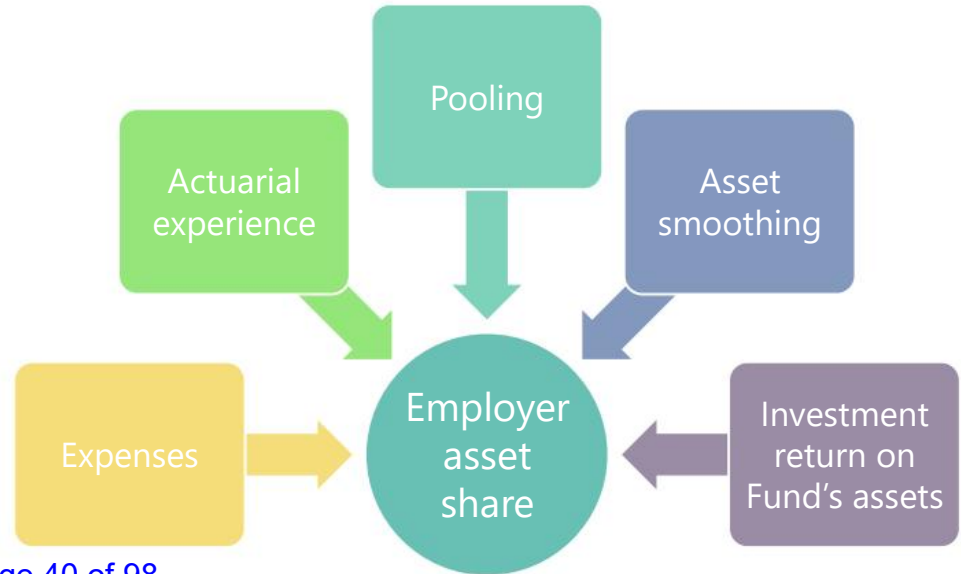
Actuarial value of liabilities



How do employer assets change over time?



Fund-related changes



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**REPORT OF SERVICE DIRECTOR – CUSTOMERS, GOVERNANCE, AND
EMPLOYEES.****LOCAL GOVERNMENT PENSION SCHEME – TRANSFORMING PENSION
ADMINISTRATION UPDATE REPORT****Purpose of the Report**

1. To update Pension Board on the data audit and improvement workstream within the “transforming pension administration through digital development and new ways of working programme”.

**Information
Background**

2. Pension Board is aware from previous reports that pension administration is changing nationally, and in the LGPS with changes to regulations, and with the requirements and scrutiny of the Pension Regulator. LGPS administration needs to reflect this change through the delivery of a range of digital services which include increased automation, significantly reduced manual inputting and amending of member data, ensuring that employers fulfil their responsibilities as a scheme employer within the Fund and for scheme members to be able to access their pension record 24/7.
3. The Pension Regulator has stipulated that it expects Pension Funds to enable scheme employers and members to interact with the Fund via digital platforms.
4. Pensions Committee and Pension Board have provided the Pension Administration Service with their support to transform the delivery of the administration service through digital platforms.
5. As work on the data audit and improvement workstream has progressed it has become increasingly clear that this is the critical workstream to the entire programme. The move to monthly returns and the deployment of the members portal will only be successfully delivered once the data held by the Fund is improved. The move to monthly returns and a self-service members portal will support the ongoing maintenance of the data held.

6. At this time efforts are being consolidated on the data audit and improvement workstream. This activity will ensure that the Fund has the key foundation in place to deliver the key aims of the programme which have been documented in previous reports.

Data Audit and Improvement

7. As previously reported to Pension Board the Pension Regulator requires all Funds to maintain accurate records. The Fund is required to have a data improvement plan as specified by the Regulator. Failure to do so can put the Pension Fund at risk of failing to meet its legal obligations, and the Regulator will take enforcement action where schemes are not meeting the standards expected and are taking appropriate steps to improve pension records.
8. The Fund is required by the Pension Regulator to hold and measure two types of data within the Civica Universal Pension Manager (UPM) System scheme records: **Common Data and Scheme Specific Data**.
9. **Common data** is used to identify scheme members and includes names, addresses, national insurance number and data of birth
10. **Scheme specific data** is essential to calculate benefit entitlement such as employee contributions, pensionable pay, service history. It also encompassed data relating to events that occur during an individual's membership, for example transfer, purchase of additional pension and pension sharing orders.
11. To date the data audit and improvement workstream has supported the Fund to achieve a significant improvement in its data scores, as detailed below

	September 2020	September 2021	Improvement %
Common Data	73%	84%	11%
Scheme Specific Data	41%	54%	13%

12. As reported to Pension Board previously, the Fund is also required to respond to a range of other external factors which impact on the data that the Fund holds such as the GMP Reconciliation project and McCloud Court of Appeal judgement regarding age discrimination.
13. The data audit and improvement phase of the programme is split into four distinct phases. The updated figures as at September 2021 are shown in square brackets after the figures for September 2020
14. **Phase 1 – Data Audit – completed.** This phase took place between January and March 2020, prior to the 2019-2020-year end being processed and provided a holistic view of the data held by Nottinghamshire Pension Fund on Civica UPM. A comprehensive suite of 430 data validation checks (DVCs) were deployed. The DVCs were agreed between the Fund and Civica and cover both common and scheme specific data across 173,647 **[180,679]** pension folders which covers a total of 134,433 **[138,039]** individual members of the Nottinghamshire Pension Fund. This has provided the Fund with an accurate and informed data position as well as access to a dynamic data quality dashboard.

15. The initial Data Quality Dashboard presented to Pensions Board in December 2020 provided the Administration Team with a baseline and breakdown detailing the number of members and the data validation checks not passed in volume range. Working with Civica over the last year has enabled a significant number of DVCs to be addressed and the latest position is shown against the baseline figures in the following table -

As at Sept 2020 Nos of Members	As at Nov 2021 Nos of Members	DVC not passed	
24,035	66,036	Passed all DVCs	An increase of 42,001 members passing all checks
56,658	56,668	1-3 amendments required	An increase of 10 members
26,825	11,388	4-6 amendments required	A reduction of 15,437 members
13,507	2,608	7-9 amendments required	A reduction of 10,899 members
13,408	1,339	10+ amendments required	A reduction of 12,069 members
134,433	138,039		An increase of 3,606 members being included in the Data Audi.

16. The Data Quality Dashboard enables the Administration Team to look at Fund level, employer level and membership category (active, deferred, deceased etc). At Scheme Employer level the Fund is able to review the data position for each employer, compare employers and identify employers with good/bad attributes and therefore provide targeted support.
17. Phase 2 Forensic Analysis was undertaken in April 2020 based on the data cut taken in January 2020 and utilised the results from phase 1 to enable forensic analysis of the DVCs, including assessing the potential for bulk data resolution solutions for systemic data issues and trends that have been identified. As part of this phase potential bulk data resolution activity has been identified which could resolve 159,487 **(57,324)** DVCs, 28.5% **(31.4%)** of the total DVCs identified.
18. The baseline results of delivering phase 1 and 2 against the data cut taken in January 2020 **(September 2021)** is that 537,341 **(182,187)** data validation amendments have been identified.
19. However, it should be noted that since the baseline position was determined the Administration team has now processed all 2019-2020 Year End returns and have completed a suite of activities which have covered the creation of new starters, notification of leavers and updates of a range of changes to members records notified to the Fund via the Employers Year End Return. To date 145,019 out of 266,433 amendments have been implemented. Pension Increase has also been applied to deferred pensioner and dependent records. The Fund now requires to re run the DVCs on the year-end update data to provide an up dated data position.
20. Phase 3 has been the most extensive phase of the programme and was broken down into 5 stages. It was difficult to determine the full extent of Stages 3 and 4 and therefore Civica were only able to provide an estimate of the funding required for these stages.

21. After discussion between all parties, a number of bulk fixes have been agreed, all of them on data that has either been created by NPF or had been derived from data provided by employers, and therefore were data items that NPF had full control of.
22. Bulk cleansing has been identified for 13 data validation failures. It is anticipated that a further 49,421 data validation amendments will be resolved through the bulk cleaning. This stage of activity will also include the delivery and testing of the required Bulk Data Import (BDI) modules required to facilitate these amendments.
23. After the BDIs have been applied, the data quality will be measured again with a further data audit. It is anticipated that the BDIs will resolve a further 27% of the required amendments.
24. The remaining data validation amendments will require work to be undertaken with individual scheme employers.
25. Civica and the Pension Administration Service have worked with a pilot Scheme Employer to shape this work. The employer has provided feedback on the initial DVCs that the Fund highlighted as requiring employer input. Following this review a defined list of DVCs has been agreed as requiring employer cleanse.
26. It has also been determined that employers with less than 20 outstanding Data Validation Amendments will not be provided with bulk cleanse files. These DVC's will be cleansed through ongoing data BAU channels to ensure the bulk cleanse work remains cost effective. Taking these decisions into account it has been highlighted that a total of 27,303 DVCs are suitable for employer cleanse as of the latest audit run.
27. A process map has been designed that will be followed with employers to resolve individual member data resolution.
28. To complete the final stages of phase 3 of the data audit and improvement further funding of £264,300 was approved by Pension Committee at its meeting on 4 November 2021. Throughout this workstream the Fund has taken a blended approach working with Civica to determine which party is best placed to work to resolve the outstanding issues. Where a bulk resolution is identified this is to be deployed by Civica. The Fund will interact directly with Scheme Employers and members where individual data amendments require resolving. The Fund will work to minimise external spend where it can but also ensure the most cost effective approach is taken in using external input to work through the data validation results.
29. It is of paramount importance that once the data audit and improvement are completed that the Fund maintain the quality of both the common and scheme specific data that it holds. The final phase, phase 4 will focus on data quality maintenance, as informed by periodic data quality dashboards, enabling ongoing identification of any emerging data quality trends. The annual cost for this activity is to be confirmed.
30. One of the other key areas to support the maintenance of the quality of the data will be to implement monthly returns and start to plan the deployment of the members self-service portal.

Scheme Employers Portal

31. The Scheme Employer Portal rollout continues to be rolled in parallel with the data audit and improvement workstream.
32. Following the success of the pilot with Nottinghamshire County Council who have been live on the portal since 1 July 2020. All District and Borough Council, including other Scheme Employers that they provide a payroll service too, are now signed up and go live between now and December 2021.
33. Engagements meeting will take place next with two large educational scheme employers.
34. Both the Pension Administration Office and Scheme Employers are reaping benefits of the move to the Scheme Employers portal, for example
 - a. Access to a secure route to submit requests and documents from the Scheme Employer directly into the Pension Administration System resulting in a reduction of email and hard copy documentation
 - b. Provides Scheme Employers with greater access to their own employees' pension record
 - c. Improvement in turnaround time for requests submitted via the portal.
 - d. Supports ongoing data improvement.
35. The Project are currently reviewing what additional functionality will be made available to Scheme Employers through this secure route over the coming year.

Resources

36. Pension Administration Team continue to input into aspects of the scoping and delivery of the programme due to their knowledge and expertise of the regulations and existing processes.
37. Additional project management capacity will continue to be released from within the Business Services Centre to support the delivery of the digital transformation programme.
38. Pensions and Personnel Committee have recently approved the funding and establishment of additional resources to support the McCloud project. There will be crossover of work between the data audit and improvement workstream of the digital transformation programme and both the McCloud and GMP projects. .

Other Options Considered

39. Data audit and improvement is a regulatory requirement and the Fund is required to have a data plan and be able to demonstrate how data supplied to the Fund is improving. Therefore, there is a statutory obligation upon the Fund and its Scheme Employers to progress the data workstream.
40. The Pension Administration Service could continue to operate as it currently does utilising paper and pdf forms but this is not considered a viable option given both the increasing

legislative demands and increasing number of scheme employers, members and their expectations in this digital age.

41. Without the development of digital platforms for Scheme Employers and members to interact with the Fund consideration may have to be given to increasing the number of pension administration staff.

Reason/s for Recommendation/s

42. For the Nottinghamshire Pension Fund to be able to meet ongoing statutory responsibilities, increased expectation of members and scheme employers to interact with the Fund online and via self-serve it is imperative that the Fund transforms its service offer ensuring that it is cost efficient and effective and meet its regulatory and statutory requirements.
43. Data improvement is a continuous process and not a one-off exercise. Good quality data is critical to the Pension Fund and a vital element in the success of digital transformation. Without the implementation of the proposed data improvements it will become increasingly difficult and risky for the Nottinghamshire Pension Fund to fulfil its statutory obligations within the LGPS and will not enable the Fund to move its service online enabling members to self-serve.

Statutory and Policy Implications

44. 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

45. A high-level Data Privacy Impact Assessment has been completed and signed off for the programme. This will be reviewed to ensure that the aspects of the programme detailed within this report are included.

Financial Implications

46. The financial implications for the next phases are covered within the body of this report at paragraph 28.

RECOMMENDATION/S

It is recommended that the Pension Board:

- 1) Note the progress and ongoing work taking place within the Data Audit and Improvement workstream.
- 2) Agree to receive ongoing update reports on the progress of the programme.

Marjorie Toward
Service Director – Customers, Governance and Employees

For any enquiries about this report please contact:

Sarah Stevenson, Group Manager Business Services Centre on 0115 9775740 or
sarah.stevenson@nottsc.gov.uk

Constitutional Comments (KK 25/10/2021)

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

Financial Comments (KRP 26/10/2021)

48. The financial implications are set out in paragraph 29 of the report. The final cost of the stages within Phase 3 of data audit and improvement program is £264,300. These costs are a valid charge against the fund administration costs.

HR Comments (JP 26/10/2021)

49. The HR implications are set out in the body of 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.

- 'None' or start list here

Electoral Division(s) and Member(s) Affected

'All'

16 December 2021

Agenda Item: 6

REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT

REVISION OF FUND STRATEGY DOCUMENTS

Purpose of the Report

1. To advise Nottinghamshire Pension Board of the recent review of the Administration Strategy, Climate Strategy, Communications Strategy, Funding Strategy Statement, Governance Compliance Statement, Investment Strategy Statement and the Risk Management Strategy and Risk Register documents by the Pension Fund Committee.

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. Other strategies are produced by the Fund as best practice to confirm and clarify operations and to enable clear communication with employers and members in the scheme.
3. The Pension Fund Committee reviewed the strategies and other documents at its meeting on 9 September 2021. A summary of the documents and the outcome of the review is set out below. The report and associated appendices containing the updated strategies is available [here](#).

[Democratic Management System > Meetings \(nottinghamshire.gov.uk\)](#)

4. The Administration Strategy is seen as one of the tools which can help in delivering a high quality administration service to the scheme member and other interested parties. This strategy has been reviewed and no significant changes were required.
5. The Climate Strategy was created in March this year. There are no changes.
6. The Communication Strategy provides an overview of how the Fund will communicate with its customers (members and employers) and stakeholders. An effective communication strategy is vital for the Fund to meet its objective of providing a high quality and consistent service. In addition to some minor updates for accuracy and consistency the Strategy now includes a reference to communications with the general public, especially around climate risk and responsible investment.

7. According to Regulation 58 of the Local Government Pension Scheme Regulations 2013, an administering authority must publish a Funding Strategy Statement (FSS). This requires revision following the results of each triennial actuarial valuation. This statement is based on a version prepared by the Fund Actuary. The key changes relate to the inclusion of a policy for contribution review and the DSA (Debt Spreading Agreement) and DDA (Deferred Debt Agreement) policies explained at the last committee meeting. No changes to these were required following the consultation process.
8. The Local Government Pension Scheme (Administration) Regulations 2013 require publication of a governance compliance statement. This statement has been reviewed and updated to explain how climate risks are governed as recommended in the Climate Risk Action Plan.
9. 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.
10. The main update relates to the changes to asset allocation which were discussed at the January Working Party and approved at the March committee meeting and to the strategic benchmark, discussed at the August Working Party and brought to this committee meeting for approval. Also of note is the reference to our new Climate Strategy.
11. It is considered best practice for the Fund to have a Risk Management Strategy and Risk Register and to review these on a regular basis. The documents last went to Committee in October 2020. No new risks have been added to the risk register, but the risk of LGPS Central incurring net costs or decreased investment returns has decreased slightly reflecting lower anticipated cost growth and improved returns. The documents have been revised to reflect recent and planned work, including work done to manage climate risk as recommended in the Climate Risk Action Plan.

Other Options Considered

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

Reason/s for Recommendation/s

13. The revised documents reflect the current governance of the Pension Fund and agreed amendments.

Statutory and Policy Implications

14. 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

1) That the Pension Board note the recent review of the Administration Strategy, Climate Strategy, Communications Strategy, Funding Strategy Statement, Governance Compliance Statement, Investment Strategy Statement and the Risk Management Strategy and Risk Register documents by the Nottinghamshire Pension Fund Committee.

Nigel Stevenson
Service Director for Finance, Infrastructure & Improvement

For any enquiries about this report please contact: Keith Palframan

Constitutional Comments (KK 2/12/2021)

15. Nottinghamshire Pension Board is the appropriate body to consider the content of this report.

Financial Comments (KRP 1/12/2021)

16. 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'

16 December 2021

Agenda Item: 7

REPORT OF THE SERVICE DIRECTOR – CUSTOMERS, GOVERNANCE AND EMPLOYEES

LOCAL GOVERNMENT PENSION SCHEME (LGPS) – BREACHES LOG REPORT

Purpose of the Report

1. The purpose of the report is to inform the Pension Board of the policy and processes being used by Nottinghamshire Pension Fund (the Fund) to identify, record and report statutory breaches of the LGPS and related regulations.

Information and Advice

Background

2. In compliance with the Pension Regulator's (TPR) Code of Practice 14 (CoP14), the Fund has prepared a formal policy and procedure for monitoring and reporting statutory breaches to TPR. (Appendix 1).
3. This policy sets out the responsibility of the Pension Committee, officers of Nottinghamshire County Council ("the Council"), and the Nottinghamshire Pension Fund local pension board in identifying, managing and where necessary reporting breaches of the law as they apply to the management and administration of the Fund
4. CoP14 also requires public sector schemes to have in place a system to record breaches, even if they are not reported to the TPR. The Nottinghamshire Pension Fund Breaches Log (the Log) Appendix 2 has been devised to cover all the aspects of managing statutory breaches. The Log has been devised to be a live, working document, in the manner of the Risk Register, in order to support continued transparency and consistency.
5. It is intended that the Log will also support internal reporting on statutory breaches, Any additions or updates to the Log will be reported to the Nottinghamshire Pension Board's quarterly meeting and in the Annual Pension Administration Performance report presented to the Pension Committee. This will ensure that all parties are fully informed of Statutory Breaches and how the Pension Fund mitigates any recurrence.

Financial Implications

6. There are no direct financial Implications in the adoption of the Breaches Policy.

RECOMMENDATION

It is recommended:

1. That the Nottinghamshire Pension Board adopts the procedure outlined in the policy document to record and report statutory breaches of the LGPS regulations.

Marjorie Toward

Service Director – Customers, Governance, and Employees

For any enquiries about this report, please contact:

Jonathan Clewes, Pension Manager on 01159773434 or jon.clewes@nottsc.gov.uk

Constitutional Comments (KK01/12/2021)

7. The proposal in this report is within the remit of the Nottinghamshire Local Pension Board .

Financial Comments (KP01/12/2021)

8. There are no financial implications in relation to 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'

Nottinghamshire Local Government Pension Fund

Policy for Reporting Breaches of the Law

Background

Nottinghamshire Pension Fund (“the Fund”) has prepared this document in setting out its policy and procedures on identifying, managing and where necessary reporting breaches of the law as covered in paragraphs 241 to 275 of the Pensions Regulator’s Code of Practice no 14: Governance and administration of public service pension schemes (“the Code of Practice”).

This policy sets out the responsibility of the Pension Committee, officers of Nottinghamshire County Council (“the Council”), and the Nottinghamshire Pension Fund local pension board in identifying, managing and where necessary reporting breaches of the law as they apply to the management and administration of the Fund. This policy does not cover the responsibility of other “reporters” (described later in this policy) in relation to their obligation to report breaches in accordance with the Code of Practice where they relate to the management and administration of the Fund. Where a breach of the law is identified all parties will take the necessary steps to consider the breach and report to the Regulator, rather than having the breach solely reported by any of the other “reporters”.

This policy will be reviewed and approved by the Pension Committee at least annually. The Pension Committee and Pension Board will monitor all breaches and will ensure that adequate resources are allocated to managing and administering this process.

The **section 151** and the **Monitoring Officer** will be responsible for the management and execution of this breaches policy, and will ensure that training on breaches of the law and this policy is conducted for all relevant officers and Pension Committee members, as well as members of the local pension board at induction and on an ongoing basis.

Overview

The identification, management and reporting of breaches is important. It is a requirement of the Code of Practice; failure to report a material breach is a civil offence that can result in civil penalties.

At the same time, in addition to identifying, rectifying and where necessary reporting a particular breach it provides an opportunity to learn from mistakes and review and improve processes in the areas where the breach occurred.

All staff involved in the administration and management of the Fund are expected, indeed required, to take a pro- active approach to the identification, management and reporting of all breaches that have occurred, or are likely to occur.

The Council, as the scheme manager for the Nottinghamshire Pension Fund, will maintain a

log of all breaches of the law as applicable to the management and administration of the Fund.

Where a breach has occurred, it should be identified and logged as either an area of non-compliance under the LGPS Regulation, a breach under Pension Law as defined within section 13 of the 2004 Pension Act or the Pension Regulator's Code of Practice 14.

The Pension Committee, officers and the local pension board cannot rely on waiting for other reporters to report a breach where it has occurred. Where a breach has occurred and has been identified by the Council, officers or local pension board it should be recorded, assessed and where necessary reported as soon as reasonably practicable.

What is a breach of the law?

breach of the law is *"an act of breaking or failing to observe a law, agreement, or code of conduct."* In the context of the Local Government Pension Scheme ("LGPS") it can encompass many aspects of the management and administration of the scheme, including, for example, failure:

- to do anything required under the LGPS Regulations.
- to do anything required under overriding legislation, applicable statutory guidance or codes of practice.
- to maintain accurate records.
- to act on any fraudulent act or omission that is identified.
- of an employer to pay over member and employer contributions on time.
- to pay member benefits either accurately or in a timely manner.
- to issue annual benefit statements on time.

What is non-compliance under the LGPS Regulations?

Non-compliance with the LGPS regulations can cover many aspects of the management and administration of the scheme, including failure:

- to do anything required under the LGPS Regulations
- to comply with policies and procedures (e.g. the Funds Statement of investment principles, funding strategy, discretionary policies, etc.);

Responsibilities in relation to breaches

Responsibility to report identified breaches of the law in relation to the Code of Practice falls on the following (known as "reporters"):

- Pension Committee members and officers of the Council, as the Scheme Manager.
- Members of the local pension board.
- Scheme employers.
- Professional advisers (including the Fund actuary, benefit consultant, investment advisers, legal advisers); and

- Third party providers (where so employed).

This policy applies only to Pension Committee members and officers of the Council, and members of the local pension board. It is for the other reporters to ensure adequate procedures and policies are put in place in order to identify, assess and where necessary report breaches. Both the Council and the local pension board will take all necessary steps to consider the breach and report to the Regulator, rather than having the breach solely reported by any of the other “reporters”.

Requirement to report a breach of the Law

Breaches of the law which affect pension schemes should be considered for reporting to the Pensions Regulator. The decision whether to report an identified breach depends on whether:

- there is reasonable cause to believe there has been a breach of the law.
- and if so, is the breach likely to be of material significance to the Regulator?

It is important to understand that not every breach that is identified needs to be reported to the Regulator. For example, where it can be demonstrated that appropriate action is being taken to rectify the breach, or the breach has occurred due to teething problems with new or revised systems or processes, it may not be necessary to report the incident to the Regulator. It is still necessary that all incidents of breaches identified are recorded in the Council’s breaches log. This log will be reviewed on an on-going basis to determine any trends in the breaches log that might indicate any serious failings or fraudulent behavior.

Where such failings or fraudulent behavior are identified immediate action will be taken to agree and put in place a plan of action to rectify the matter and prevent such an occurrence in the future.

When is a breach required to be reported to the Regulator?

The Code of Practice requires that a breach should be notified to the Regulator as soon as is reasonably practicable once there is reasonable cause to believe that a breach has occurred and that it is of material significance to the Regulator. In any event, where a breach is considered to be of material significance it must be reported to the Regulator no later than one month after becoming aware of the breach or likely breach.

Where it is considered that a breach is of such significance that the Regulator is required to intervene as a matter of urgency (for example, serious fraud) the matter should be brought to the attention of the Regulator immediately (e.g. by calling them direct). A formal report should then be submitted to the Regulator, marked as “urgent” in order to draw the Regulator’s attention to it

Assessing “reasonable cause”

It is important that the Council and the local pension board are satisfied that a breach has actually occurred, rather than acting on a suspicion of such an event.

It will be necessary, therefore, for robust checks to be made by officers and Pension Committee

members when acting on any suspicion of a breach having occurred. Where necessary this will involve taking legal advice from Legal Services (who may recommend specialist external legal advice if necessary) as well as other advisers (e.g. auditors or the Fund actuary, benefit consultant or investment advisers).

Deciding if a breach is “materially significant” and should be reported to the Regulator

The Regulator has produced a decision tree to assist schemes in identifying the severity of a breach and whether it should then be reported. When determining materiality of any breach or likely breach the Pension Committee, officers and local pension board will in all cases consider the following:

- cause – e.g. dishonesty, poor governance, incomplete or inaccurate information, acting or failing to act in contravention of the law.
- effect – does the nature of the breach lead to an increased likelihood of further material breaches. Is it likely to cause, for example, ineffective internal controls, lack of knowledge and understanding, inaccurate records, potential for further breaches occurring;
- reaction – e.g. taking prompt and effective action to resolve a breach, notifying scheme members where appropriate; and
- wider implications – e.g. where a breach has occurred due to lack of knowledge or poor systems and processes making it more likely that other breaches will emerge in the future.

The decision tree provides a “traffic light” system of categorizing an identified breach:

Green – not caused by dishonesty, poor governance or a deliberate contravention of the law and its effect is not significant and a plan is in place to rectify the situation. In such cases the breach may not be reported to the Regulator but should be recorded in the Council’s breaches log.

Amber – does not fall easily into either green or red and requires further investigation in order to determine what action to take. Consideration of other recorded breaches may also be relevant in determining the most appropriate course of action. The Council will need to decide whether to informally alert the Regulator of the breach or likely breach, formally reporting the breach if it is subsequently decided to categorise the breach as red.

Red - caused by dishonesty, poor governance or a deliberate contravention of the law and having a significant impact, even where a plan is in place to rectify the situation. The Council must report all such breaches to the Regulator in all cases.

It should be noted that failure to report a significant breach or likely breach is likely, in itself, to be a significant breach.

The Council will use the Regulator’s decision tree as a means of identifying whether any breach is to be considered as materially significant and so reported to the Regulator.

Any failure of a scheme employer to pass over employee contributions that are considered to be of material significance must be reported to the Regulator immediately.

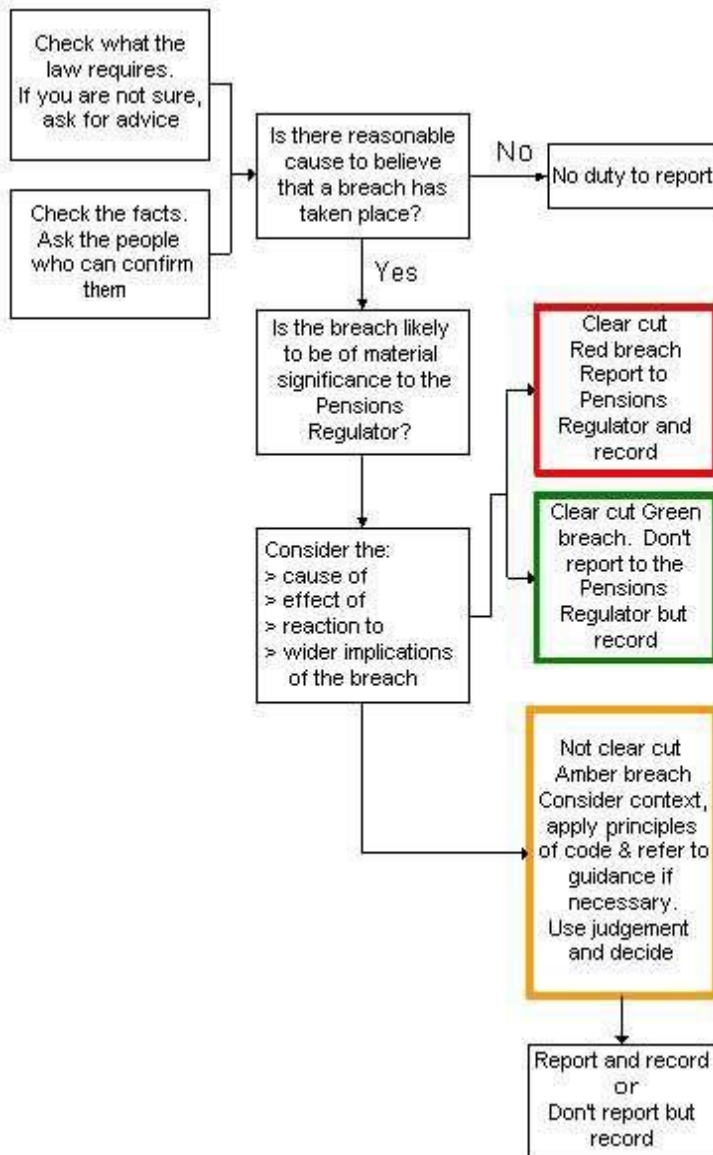
In order to determine whether failure to pay over employee contributions is materially significant or not the Council will seek from the employer:

- the cause and circumstances of the payment failure
- what action the employer has taken as a result of the payment failure, and
- the wider implications or impact of the payment failure.

Where a payment plan is agreed with the employer to recover outstanding contributions and it is being adhered to or there are circumstances of infrequent one-off late payments or administrative failures the late payment will not be considered to be of material significance.

All incidences resulting from the unwillingness or inability of the employer to pay over the employee contributions, dishonesty, fraudulent behavior or misuse of employee contributions, poor administrative procedures or the failure to pay over employee contributions within 90 days from the due date will be considered to be of material significance and reported to the Regulator.

Once a breach or likely breach has been identified, regardless of whether it needs to be reported to the Regulator, the relevant manager, in consultation with the section 151 and the Monitoring Officer must review the circumstances of the breach in order to understand why it occurred, the consequences of the breach and agree the corrective measures required to prevent re-occurrence, including an action plan where necessary. All breaches must be recorded in the Council's breaches log.



Process for reporting breaches

All relevant officers and Pension Committee members of the Council, as well as all members of the local pension board have a responsibility to:

- identify and assess the severity of any breach or likely breach.
- report all breaches or likely breaches to the section 151 officer and the Monitoring Officer.
- in conjunction with relevant colleagues agree a proposed course of action to rectify the breach and put in place measures to ensure the breach does not re-occur, obtaining appropriate legal or other advice where necessary.
- ensure that the appropriate corrective action has been taken to rectify the breach or likely breach and to prevent it from recurring; and
- co-operate with, and assist in, the reporting of breaches and likely breaches to the Pension Committee, local pension board and where necessary the Regulator.

Responsibilities of the responsible officer

The Council's section 151 officer and the Monitoring Officer will be responsible for the management and execution of this breaches policy, and for recording and reporting breaches and likely breaches as follows:

- record all identified breaches and likely breaches of which they are aware in the Council's breaches log.
- investigate the circumstances of all reported breaches and likely breaches.
- ensure, where necessary that an action plan is put in place and acted on to correct the identified breach and also ensure further breaches of a similar nature do not reoccur.
- report to the Pension Committee and local pension board:
 - all materially significant breaches or likely breaches that will require reporting to the Regulator as soon as practicable, but no later than one month after becoming aware of the breach or likely breach; and
 - all other breaches at least quarterly as part of the Committee cycle.
- report all materially significant breaches to the Regulator as soon as practicable but not later than one month after becoming aware of the breach.

The section 151 officer will determine whether any breach or likely breach is materially significant, having regard to the guidance set out in the Code of Practice and after consultation with parties they deem appropriate. Such parties might include the Head of Legal Services, the Pension Committee and local pension board.

If appropriate, the matter will be referred to an external party to obtain any necessary legal or other advice before deciding if the breach is considered to be of material significance to the Regulator. Where uncertainty exists as to the materiality of any identified breach the Pension Committee, officers or local pension board will be required to informally notify the Regulator of the issue and the steps being taken to resolve the issue.

The section 151 officer and the Monitoring Officer will advise the Chair of the Pension Committee of potential or retrospective breaches of policy. These will also be reported to the Pension Board.

How should a breach be reported to the Regulator?

All materially significant breaches must be reported to the Regulator in writing. This can be via post or electronically. The Regulator encourages the use of its standard reporting facility via its Exchange on-line service.

The Council will report all material breaches to the Regulator via Exchange.

How are records of breaches maintained?

All breaches and likely breaches identified are to be reported to the section 151 officer as soon as they are identified. The section 151 officer and the Monitoring Officer will log all breaches on the Council's breaches log, including the following information:

- date the breach or likely breach was identified.
- name of the scheme.
- name of the employer (where appropriate);
- any relevant dates.
- a description of the breach, its cause and effect, including the reasons it is, or is not, believed to be of material significance.
- whether the breach is considered to be red, amber, or green.
- a description of the actions taken to rectify the breach.
- a brief description of any longer-term implications and actions required to prevent similar types of breaches recurring in the future.

The section 151 officer and the Monitoring Officer will be responsible for ensuring the effective management and rectification of any breach identified, including submission of any report to the Regulator. Any documentation supporting the breach will also be retained.

Whistleblowing

It is a statutory duty to report breaches of the law. In rare cases this may involve a duty to whistleblower on the part of an employee of the Council, Pension Committee members, officers or a member of the local pension board.

The duty to report does not override any other duties a "reporter" may have, such as confidentiality. Any such duty is not breached by reporting to the Regulator. Given the statutory duty that exists, in exercising this breaches policy the Council will ensure it adheres to the requirements of the Employment Rights Act 1996 in protecting an employee making a whistleblowing disclosure to the Regulator.

The duty to report, however, does not override 'legal privilege', so certain oral and written communications between the Council or local pension board and a professional legal adviser do not have to be disclosed if they meet the principles of legal privilege.

Training

The section 151 officer and the Monitoring Officer will ensure that all relevant officers and elected members, as well as members of the local pension board receive appropriate training on this policy at the commencement of their employment or appointment to the local pension board as appropriate and on an ongoing basis.

Appendix A

Example scenarios

Failure to enter employee into the scheme Scenario

It is discovered that a scheme employer has not entered an eligible employee into the LGPS on joining

Steps that might be taken

On the face of it a breach will have occurred, as the scheme employer has failed to do something, they are required to do under the rule of the LGPS. Before deciding to report to the Pensions Regulator it is necessary to consider why this has happened and the steps that are being taken to either rectify the situation and/or ensure it is not repeated. This will include:

- Assessing whether failure relates to a specific employee or is it something more widespread
- Remedying this particular situation immediately
- Understanding if there have been personnel changes at the employer; has this resulted in teething problems during any hand-over?
- If necessary, the Fund could provide training to the employer on its responsibilities to ensure there is no repeated failure

Materiality

When considering if the delay/failure is likely to be of “material significance” you could consider.

- Has the member been denied access to the scheme completely?
- Has the employer failed to respond to the Fund’s enquiries?
- Has the member not been given the opportunity to backdate entry to the scheme and pay arrears?
- Has the employer failed to put in place an immediate plan to remedy any further failures?
- Are more members affected, or is this a one-off?

If the answer to any of the above is “yes” this may imply materiality and may warrant reporting to the Pensions Regulator. In any event the issue should be added to the Council’s breaches log.

Late payment over of contributions Scenario

You have a scheme employer that is late in paying over employee and employer contributions

Steps that might be taken

The reasons for the delayed payment could many so while a breach has clearly occurred it is

important to understand the reasons behind the delay. To do this:

- Contact the employer to assess the reason for the delay
- Investigate what went wrong
- Ensure steps are put in place so as to avoid a repeat in future months
- Record the outcome of your investigation
- Make sure processes are assessed to ensure they pick up any potential fraud

Materiality

While the reason for the delay in paying over contributions might be entirely innocent, it is also possible something more sinister is at play and could be “materially significant”. Consider.

- Is the employer unwilling or unable to pay? e.g. due to insolvency
- Is any dishonesty involved on the part of the employer? e.g. using non-payment to ease cash-flow
- Is the employer seeking to avoid paying contributions?
- Does the employer have inadequate processes in place to recover contributions?
- Have contributions been outstanding for over 90 days since being identified?

If the answer to any of the above is “yes” this may imply materiality and may warrant reporting to the Pensions Regulator. In any event the issue should be added to the Council’s breaches log.

Late Submission of year-end data Scenario

A scheme employer is late in submitting year-end pay and contribution return in respect of active scheme members

Steps that might be taken

On the face of it this is a breach, but the employer may not necessarily appreciate the significance. Things you might consider doing include:

- Contacting the employer to assess the reason for the non-submission
- Investigating with the employer what went wrong
- Putting in place steps to ensure no repeat
- Recording your investigations

Materiality

Is the delay/failure likely to be of “material significance”? Consider.

- Is the employer unwilling or unable to provide the required data? e.g. are its systems adequate
- Has the employer failed to respond to the Fund’s enquiries?

- Will the delay impact the issue of annual benefit statements?

If the answer to any of the above is “yes” this may imply materiality and may warrant reporting to the Pensions Regulator. In any event the issue should be added to the Council’s breaches log.

Late issue of annual benefit statements Scenario

The Fund is late/fails to issue annual benefit statements to active and/or deferred scheme members within the statutory time limits.

Steps that might be taken

Failure to issue annual benefit statements or delaying their issue is a clear breach. Before reporting to the Pensions Regulator:

- Assess whether failure relates to a specific employer or wider issues
- If there have been system or scheme rule changes, determine whether teething problems have contributed to the delay/failure
- Put in place steps to ensure statements are issued within a reasonable timescale
- Put in place steps to ensure no repeat
- Record your investigations

Materiality

Is the delay/failure likely to be of “material significance”? Consider.

- Is the breach resulting from employer failure to provide year-end data?
- Has the employer failed to respond to the Fund’s enquiries?
- Has there been a failure on the part of the Fund to have a proper plan in place for the ABS project?
- Has the Fund failed to put in place an immediate plan to remedy any delay/failure?
- Will the delay impact on the member’s actual benefits?

If the answer to any of the above is “yes” this may imply materiality and may warrant reporting to the Pensions Regulator. In any event the issue should be added to the Council’s breaches log.

Late notification of leaver/retirement details Scenario

A scheme employer fails to provide the Fund with the necessary leaver/retirement notifications

Steps that might be taken

On the face of it a breach will have occurred, as the scheme employer has failed to do something, they are required to do under the LGPS Regulations. Before deciding to report to the Pensions Regulator it is necessary to consider why this has happened and the steps that are being taken to either rectify the situation and/or ensure it is not repeated.

- Assess whether failure relates to a specific employee or is it something more widespread
- Remedy this particular situation immediately
- If there have been personnel changes at the employer, has this resulted in teething problems during any hand-over
- If necessary, the Fund could provide training to the employer on its responsibilities to ensure there is no repeated failure

Materiality

Is the delay/failure likely to be of “material significance”? Consider.

- Has the employer failed to respond to the Fund’s enquiries?
- Has the failure delayed the assessment and notification/payment of retirement benefits?
- Has the scheme member been denied access to investment opportunities due to the failure?
- Has the failure led to financial hardship for the member?
- Has the Fund failed to put in place an immediate plan to remedy any delay/failure?

If the answer to any of the above is “yes” this may imply materiality and may warrant reporting to the Pensions Regulator. In any event the issue should be added to the Council’s breaches log.

Failure to declare potential conflict Scenario

A Pension Committee or Pension Board member fails to declare a potential conflict of interest in relation to an issue for discussion or decision, which has later come to light

Steps that might be taken

It is a requirement to declare conflicts of interest, so a breach will have occurred. Before deciding whether to report to the Pensions Regulator:

- Determine why the conflict of interest was not reported at the outset
- Consider what impact it had on the eventual discussions or decision
- Draw attention of all Committee and Board members to the Council’s conflicts of interest policy
- Consider revisiting the discussion or decision, excluding the individual concerned
- Remove the individual from the Pension Committee or Pension Board if considered their omission was of such significance as to lead to a loss of confidence in the public office

Materiality

Is the non-disclosure likely to be of “material significance”? Consider.

- Has the individual used the situation to their advantage?

- Has the individual had their judgement swayed by the apparent conflict of interest?
- Would the removal of the individual from the discussions/decision have altered the eventual outcome?
- Would the non-disclosure in this situation lead to a loss of confidence in the public office?

If the answer to any of the above is “yes” this may imply materiality and may warrant reporting to the Pensions Regulator. In any event the issue should be added to the Council’s breaches log.

Nottinghamshire Pension Fund Breaches Log

Key – RAG Status 1

- Red; Breach is Material
- Amber; Breach could become material if actions being taken are not effective
- Green; Breach is not material as per tPR guidance

Key – RAG Status 2

- Amber; Resolution plan in place – monitoring continuing
- Green; Resolved – continued monitoring to ensure early id of recurrence
- Blue; Closed

Breach Number	Date of Breach	Failure Type	Nature of the Breach	A description of the breach it is, or is not, believed to be of material significance	Has the issue been reported to Pension Committee	Has the issue been reported to Pension Board	Actions taken to rectify the breach	RAG Status 1 (further to immediate action)	Report to tPR Recommendation of Pension Admin Manager	Recommendation approved by 151 Officer and the Monitoring Officer	Preventative actions to prevent reoccurrences	RAG Status 2 (current Status)

16 December 2021

Agenda Item: 8

REPORT OF SERVICE DIRECTOR – CUSTOMER, GOVERNANCE AND EMPLOYEES.

PENSION FUND - RISK REGISTER

Purpose of the Report

1. To present the current Nottinghamshire Pension Fund Risk Register to the Pensions Board.

Introduction

2. This is the Risk Management Strategy for the Nottinghamshire County Council Pension Fund. Risk Management is a key element in the Fund's overall framework of internal control and its approach to sound governance. However, it is not an end in itself, but a means of minimising the costs and disruption to the Fund caused by undesirable or unexpected events. The aim is to eliminate or reduce the frequency of risk events occurring (where possible and practicable) and minimise the severity of the consequences if they do occur.
3. Risk can be defined as any event or action which could adversely affect the Fund's ability to achieve its purpose and objectives. Risk management is the process by which:
 - risks are systematically identified
 - the potential consequences are evaluated
 - the element of risk is reduced where reasonably practicable
 - actions are taken to control the likelihood of the risk arising and reducing the impact if it does

Purpose and Objectives of the Fund

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 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
 - Build up the required assets in such a way that employer contribution rates are kept as low and stable as possible.

6. The following principles underpin the Fund's investment activity:
- The Fund will aim to maintain sufficient assets to meet all its obligations on a continuing basis.
 - The Fund will be invested in a diversified range of assets.
 - Proper advice on the suitability of types of investment will be obtained and considered at reasonable intervals.
 - The Fund will aim to conduct its business and to use its influence in a long-term responsible way.

Key Parties of Fund

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

The Administering Authority

8. 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. The main responsibilities of the Administering Authority are to:
- Collect employee and employer contributions
 - Invest the Fund's assets
 - Pay the benefits due to scheme members
 - Manage the actuarial valuation process in conjunction with the Fund Actuary
 - Prepare and maintain the Funding Strategy Statement (FSS) and Investment Strategy Statement (ISS) after consultation with other interested parties as appropriate
 - Monitor all aspects of the Fund's performance.

Committee members

9. 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. The main responsibilities of the Committee are to:
- Determine the overall investment strategy, and what restrictions, if any, are to be placed on particular types and market locations of investments
 - Determine the type of investment management to be used and appoint and dismiss fund managers
 - Receive quarterly 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.

Scheme Employers

10. 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 as certified by the Fund Actuary to the Administering Authority within the statutory timescales
- Notify the Administering Authority of any new Scheme members and any other membership changes promptly
- Exercise any discretions 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

11. 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
- Advise on other actuarial matters affecting the financial position of the Fund.

Chief Finance Officer

12. Under the Council's constitution, the Service Director Finance, Infrastructure & 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).

13. Representatives of the Service Director Finance, Infrastructure & Improvement provide advice to the Committee on investment matters and attend meetings of the Nottinghamshire Pension Fund Committee as required.

Service Director Customers, Governance and Employees

14. The Service Director Customers, Governance and Employees is responsible for the Pensions Administration function, operated by the Pensions Office within the Business Support Centre. This function covers:

- Pensions administration and employer's support
- Pensions administration systems
- Communications
- Technical/performance support

15. Representatives of the Service Director Customers, Governance and Employees provide advice to the Committee on pension administration matters and attend meetings of the Nottinghamshire Pension Fund Committee as required.

Independent Adviser

16. The Fund has an Independent Adviser who attends meetings of the Nottinghamshire Pension Fund Committee and Pensions Working Party as required.

17. 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

Risk Management Strategy

18. The risk tolerance of the Fund is agreed with the Nottinghamshire Pension Fund Committee, the investment team and independent adviser through the setting of the investment beliefs, funding, and investment objectives. The Fund will only take sufficient risk in order to achieve its long-term funding objectives described in paragraph 4.

19. The Pension Fund's Risk Management Strategy is to:

- a) identify key risks to the achievement of the Fund's aims
- 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 an annual basis
- g) report the outcome of the review to the Nottinghamshire Pension Fund Committee.

20. The Risk Register is a key part of the Risk Management 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.

21. All staff involved in the Pension Fund and Members of the Nottinghamshire Pension Fund Committee need to have an appropriate level of understanding of risk and how risks affect the performance of the Fund. To consolidate the risk management process, the Nottinghamshire Pension Fund Committee have been asked to:-

- agree the Risk Management Strategy
- approve the Risk Register and agreed actions
- receive and approve the Annual Governance Statement, which will comment upon the Fund's risk management process.

22. By adopting this approach, the Pension Fund will be able to demonstrate a clear commitment, at a strategic level, to the effective management of Pension Fund risks. The Risk Management Strategy and Risk Register will be kept under review and will be revised following any material changes in policy.

23. The risk register is attached as Appendix A.

Statutory and Policy Implications

24. 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

25. That The Nottinghamshire Local Pension Board members consider whether there are any actions they require in relation to the issues contained within the Risk Strategy report.

Marjorie Toward
Service Director – Customers, Governance, and Employers

For any enquiries about this report please contact:

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

Constitutional Comments (KK 01/12/2021)

26. This is an updating information report and Pension Board 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 (KP 01/12/2021)

27. There are no direct financial implications arising from 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.

- 'None'

Objectives

1. The objectives of the Risk Register are to:
 - identify key risks to the achievement of the Fund's objectives
 - assess the significance of the risks
 - consider existing controls to mitigate the risks identified
 - Identify additional action required.

Risk Assessment

2. Identified risks are assessed separately and for each the following is determined:
 - the likelihood of the risk materialising
 - the severity of the impact/potential consequences if it does occur.
3. Each factor is evaluated on a sliding scale of 1 to 5 with 5 being the highest value i.e. highest likelihood/most severe impact/consequences. The risk evaluation tables below have been used in order to assess specific risks and to introduce a measure of consistency into the risk assessment process. The overall rating for each risk is calculated by multiplying the likelihood value against the impact value.

LIKELIHOOD:		
1	Rare	0 to 5% chance
2	Unlikely	6 to 20% chance
3	Possible	21 to 50% chance
4	Likely	51 to 80% chance
5	Almost certain	81%+ chance

IMPACT:		
1	Insignificant	0 to 5% effect
2	Minor	6 to 20% effect
3	Moderate	21 to 50% effect
4	Significant	51 to 80% effect
5	Catastrophic	81%+ effect

4. Having scored each risk for likelihood and impact, the risk ratings can be plotted onto the following matrix to enable risks to be categorised into Low, Medium, High and Very High Risk.

		Risk Rating Matrix					
Relative Impact	Catastrophic	(5)	M	H	VH	VH	VH
	Significant	(4)	M	H	VH	VH	VH
	Moderate	(3)	M	M	H	H	H
	Minor	(2)	L	L	M	M	M
	Insignificant	(1)	L	L	L	L	L
			(1)	(2)	(3)	(4)	(5)
			Rare	Unlikely	Possible	Likely	Almost Certain
			Relative Likelihood				

5. This initial assessment gives the inherent risk level. Existing controls are then identified and each risk is re-assessed to determine if the controls are effective at reducing the risk rating. This gives the current (or residual) risk level. The current risk rating scores and categories are then used to prioritise the risks shown in the register in order to determine where additional action is required in accordance with the following order of priority:

Red = Very High Priority

Take urgent action to mitigate the risk.

Orange = High Priority

Take action to mitigate the risk.

Yellow = Medium Priority

Check current controls and consider if others are required.

Green = Low Priority

No immediate action other than to set a review date to re-consider your assessment.

NOTTINGHAMSHIRE PENSION FUND RISK REGISTER - SUMMARY

Key to risk rating change since previous version of Risk Register:



Increase



Decrease



No Change



New

Risk Description	Inherent Risk			Current Risk		
		Rating	Change		Rating	Change
Risk Gov4 Inadequate resources are available to manage the pension fund.	20	VERY HIGH	↔	12	HIGH	↔
Risk Adm1 Standing data & permanent records are not accurate.	16	VERY HIGH	↔	9	HIGH	↔
Risk Inv3 Fund assets are assessed as insufficient to meet long term liabilities.	16	VERY HIGH	↔	9	HIGH	↔
Risk Inv6 LGPS Central incurs net costs or decreases investment returns	12	HIGH	↓	9	HIGH	↓
Risk Adm2 Inadequate controls to safeguard pension fund records	15	VERY HIGH	↔	6	MEDIUM	↔
Risk Adm4 Scheme employers may fail to administer the scheme efficiently, leading to disruption to the discharge of administering authority functions (employer Risk) Potential data quality issues.	15	VERY HIGH	↔	6	MEDIUM	↔
Risk Adm5 Serious breach of law regarding the management of data/information, including an unauthorised release requiring notification to ICO, leading to disruption to the discharge of administering authority functions (Administrative Risk).	15	VERY HIGH	↔	6	MEDIUM	↔
Risk Inv4 Significant variations from assumptions used in the actuarial valuation	12	HIGH	↔	9	HIGH	↔
Risk Inv7 Financial risk of climate change	12	HIGH	↔	8	MEDIUM	↔
Risk Inv1 Inappropriate investment strategy is adopted.	12	VERY HIGH	↔	6	MEDIUM	↔
Risk Inv5b Custody arrangements	12	VERY HIGH	↔	6	MEDIUM	↔
Risk Gov5 Failure to adhere to relevant legislation and guidance.	12	HIGH	↔	6	MEDIUM	↔
Risk Gov3 An effective performance management framework is not in place.	9	HIGH	↔	6	MEDIUM	↔
Risk Gov1 Pension Fund governance arrangements are not effective	9	HIGH	↔	6	MEDIUM	↔

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Risk Gov2 Pension Fund objectives are not defined and agreed.	9	HIGH	↔	6	MEDIUM	↔
Risk Inv2 Fund cash is insufficient to meet its current obligations.	9	HIGH	↔	6	MEDIUM	↔
Risk Inv5a Fund manager mandates	9	HIGH	↔	6	MEDIUM	↔
Risk Inv5d Financial Administration	9	HIGH	↔	6	MEDIUM	↔
Risk Adm3 Failure to communicate adequately with all relevant stakeholders.	9	HIGH	↔	6	MEDIUM	↔
Risk Inv5c Accounting arrangements	6	MEDIUM	↔	4	LOW	↔
Risk Inv5e Stewardship	6	MEDIUM	↔	4	LOW	↔

Governance				
Risk description: Gov1 - Pension Fund governance arrangements are not effective				
	Likelihood:	Impact:	Risk Rating:	
Inherent Risk:	3	3	9	HIGH ⇄
Current Risk:	2	3	6	MEDIUM ⇄
Current Controls:	<ul style="list-style-type: none"> • The Council's constitution clearly delegates the functions of administering authority of the pension fund to the Nottinghamshire Pension Fund Committee. 			
	<ul style="list-style-type: none"> • Under the LGPS Regulations the Administering Authority has established a Pension Board 			
	<ul style="list-style-type: none"> • The terms of reference of the Nottinghamshire Pension Fund Committee are agreed. • The terms of reference of the Nottinghamshire Pension Board are agreed. 			
	<ul style="list-style-type: none"> • The Fund publishes a Governance Compliance Statement which details the governance arrangements of the Fund and assesses compliance with best practice. This is kept regularly under review. 			
	<ul style="list-style-type: none"> • A training policy is in place which requires Members to receive continuing training and encourages all new Members to attend the Local Government Pension Scheme Fundamentals training course. • Nottinghamshire Pension Board Members are also required to undertake training 			
	<ul style="list-style-type: none"> • Officers of the Council attend meetings of the Nottinghamshire Pension Fund Committee and the Nottinghamshire Pension Board. 			
	<ul style="list-style-type: none"> • The Fund has a formal contract for an independent adviser to give advice on investment matters. They are contracted to attend each Nottinghamshire Pension Fund Committee meeting. 			
	<ul style="list-style-type: none"> • The Administering Authority has a formal contract for an independent adviser to give advice on LGPS regulations to the Nottinghamshire Pension Board 			
Action Required:	<ul style="list-style-type: none"> • Continue to monitor via existing processes. • Confirmation of Pension Board meetings • Pension Board Vacancies to be filled 			
Responsibility:	Group Manager (Financial Services) Group Manager (BSC) Group Manager (Legal Services) Pension Manager Senior Accountant - Pensions & TM		Timescale:	On-going

Governance				
Risk description: Gov2 - Pension Fund objectives are not defined and agreed				
	Likelihood:	Impact:	Risk Rating:	
Inherent Risk:	3	3	9	HIGH ↔
Current Risk:	2	3	6	MEDIUM ↔
Current Controls:	<ul style="list-style-type: none"> Purpose and objectives are outlined in the Funding Strategy Statement (FSS) and Investment Strategy Statement (ISS). Both documents are approved by the Nottinghamshire Pension Fund Committee and reviewed on a regular basis. 			
Action Required:	<ul style="list-style-type: none"> Continue to monitor via existing processes. 			
Responsibility:	Nottinghamshire Pension Fund Committee; Group Manager (Financial Services)		Timescale:	On-going

Governance				
Risk description: Gov3 - An effective performance management framework is not in place.				
	Likelihood:	Impact:	Risk Rating:	
Inherent Risk:	3	3	9	HIGH ↔
Current Risk:	2	3	6	MEDIUM ↔
Current Controls:	<ul style="list-style-type: none"> Investment performance is reported quarterly to the Nottinghamshire Pension Fund Committee. The Fund's main investment managers attend each quarter and officers receive regular updates from the Fund's other investment managers. 			
	<ul style="list-style-type: none"> Poor investment performance is considered by the Nottinghamshire Pension Fund Committee. The Nottinghamshire Pension Fund Committee's actions are monitored by the Nottinghamshire Pension Board 			
	<ul style="list-style-type: none"> A Fund strategic benchmark has been implemented to improve monitoring of decisions regarding asset allocation and investment management arrangements. This was reviewed at a Working Party in August 2021. 			
	<ul style="list-style-type: none"> Performance of the administration function is managed through an Administration Strategy 			
	<ul style="list-style-type: none"> Performance of the Administration function is managed through a set of performance indicators and reported to Pension Committee and Pension Board 			
Action Required:	<ul style="list-style-type: none"> Continue to review the performance monitoring framework for Fund Administration. 			
Responsibility:	Nottinghamshire Pension Fund Committee Group Manager (Financial Services); Group Manager (BSC) Pension Admin Manager Senior Accountant - Pensions & TM		Timescale:	On-going

Governance				
Risk description: Gov4 - Inadequate resources are available to manage the pension fund.				
	Likelihood:	Impact:	Risk Rating:	
Inherent Risk:	5	4	20	VERY HIGH ↔
Current Risk:	4	3	12	HIGH ↔
Current Controls:	<ul style="list-style-type: none"> • The pension fund investments are managed by the Pensions & Treasury Management team. 			
	<ul style="list-style-type: none"> • Pension administration is managed by the Pension Team Manager within the BSC 			
	<ul style="list-style-type: none"> • Operating costs are recharged to the pension fund in accordance with regulations. 			
	<ul style="list-style-type: none"> • Staffing levels and structures are kept under regular review. • Additional resources have been requested to meet new requirements across the LGPS • Additional Resources have been agreed in relation to The McCloud Project • Pension Costs and resources monitored against the CIPFA Benchmarking club 			
Action Required:	<ul style="list-style-type: none"> • Continue to monitor resource requirements via existing processes. 			
Responsibility:	Group Manager (Financial Services); Group Manager (BSC) PensionTeam Manager Senior Accountant - Pensions & TM		Timescale:	On-going

Governance				
Risk description: Gov5 - Failure to adhere to relevant legislation and guidance.				
	Likelihood:	Impact:	Risk Rating:	
Inherent Risk:	4	3	12	HIGH ↔
Current Risk:	3	2	6	MEDIUM ↔
Current Controls:	<ul style="list-style-type: none"> • An established process exists to inform members and officers of statutory requirements and any changes to these. 			
	<ul style="list-style-type: none"> • An Administration Strategy was introduced in 2017 to monitor the Administration of the Fund, along with monitoring Employer compliance. 			
	<ul style="list-style-type: none"> • Sufficient resources are required to implement LGPS changes while continuing to administer the scheme. 			
	<ul style="list-style-type: none"> • Membership of relevant professional groups ensures changes in statutory and other requirements are registered before the implementation dates. 			
	<ul style="list-style-type: none"> • Any breaches in statutory regulations must be reported to the Pension Regulator. 			

Action Required:	<ul style="list-style-type: none"> • Review Resources against statutory requirements • Continue to monitor requirements via appropriate sources. • Continue to monitor resources to ensure adherence to legislation and guidance. • Update Breaches Policy 		
Responsibility:	Group Manager (Financial Services); Group Manager (BSC); Senior Accountant - Pensions & TM Pension Manager	Timescale:	On-going

Investments				
Risk description: Inv1 - Inappropriate investment strategy is adopted.				
	Likelihood:	Impact:	Risk Rating:	
Inherent Risk:	3	4	12	VERY HIGH ↔
Current Risk:	2	3	6	MEDIUM ↔
Current Controls:	<ul style="list-style-type: none"> • The investment strategy is in accordance with LGPS investment regulations and is documented, reviewed and approved by the Nottinghamshire Pension Fund Committee. • In setting asset allocation to deliver the Fund Return Target the Fund will seek as far as possible to invest in a diversified range of uncorrelated assets in order to reduce the level of investment risk. • The Strategy takes into account the expected returns assumed by the actuary at the triennial valuation. • Investment performance is monitored against the Fund's strategic benchmark. • A regular review takes place of the Fund's asset allocation strategy by the Pension Fund Working Party. • An Independent Adviser provides specialist guidance to the Nottinghamshire Pension Fund Committee on the investment strategy. 			
Action Required:	• Continue to monitor via existing processes.			
Responsibility:	Group Manager (Financial Services); Senior Accountant - Pensions & TM	Timescale:	On-going	

Investments				
Risk description: Inv2 - Fund cash is insufficient to meet its current obligations.				
	Likelihood:	Impact:	Risk Rating:	
Inherent Risk:	3	3	9	HIGH ↔
Current Risk:	2	3	6	MEDIUM ↔
Current Controls	• Fund cash flow is monitored daily and a summary fund account is reported to the Nottinghamshire Pension Fund Committee each quarter			

	<ul style="list-style-type: none"> • Annual accounts are produced for the pension fund and these show the movements in net cash inflow 		
	<ul style="list-style-type: none"> • Regular assessment of Fund assets and liabilities is carried out through actuarial valuations. 		
	<ul style="list-style-type: none"> • The Fund's Investment and Funding Strategies are regularly reviewed 		
Action Required:	<ul style="list-style-type: none"> • Continue to monitor via existing processes. 		
Responsibility:	Nottinghamshire Pension Fund Committee; Group Manager (Financial Services); Senior Accountant - Pensions & TM	Timescale:	On-going

Investments				
Risk description: Inv3 - Fund assets are assessed as insufficient to meet long term liabilities.				
	Likelihood:	Impact:	Risk Rating:	
Inherent Risk:	4	4	16	VERY HIGH ↔
Current Risk:	3	3	9	HIGH ↔
Current Controls:	<ul style="list-style-type: none"> • Fund assets are kept under review as part of the Fund's performance management framework. 			
	<ul style="list-style-type: none"> • Regular assessment of Fund assets and liabilities is carried out through Actuarial valuations. 			
	<ul style="list-style-type: none"> • The Fund's Investment and Funding Strategies are regularly reviewed. 			
	<ul style="list-style-type: none"> • An external adviser provides specialist guidance to the Pension Fund Committee on the investment strategy. 			
	<ul style="list-style-type: none"> • Strength of covenant of new employers carefully assessed 			
	<ul style="list-style-type: none"> • Risks relating to existing employers are reviewed periodically 			
Action Required:	<ul style="list-style-type: none"> • Continue to monitor via existing processes. • Review cash flow projections prepared by actuaries on a regular basis. 			
Responsibility:	Nottinghamshire Pension Fund Committee Group Manager (Financial Services); Senior Accountant - Pensions & TM	Timescale:	On-going	

Investments				
Risk description: Inv4 - Significant variations from assumptions used in the actuarial valuation occur				
	Likelihood:	Impact:	Risk Rating:	
Inherent Risk:	4	3	12	HIGH ↔
Current Risk:	3	3	9	HIGH ↔
Current Controls:	<ul style="list-style-type: none"> • Actuarial assumptions are reviewed by officers and discussed with the actuaries 			
	<ul style="list-style-type: none"> • Sensitivity analysis is undertaken on assumptions to measure impact 			

	• Valuation are undertaken every 3 years		
	• Monitoring of cash flow position.		
	• Contributions made by employers vary according to their member profile.		
Action Required:	<ul style="list-style-type: none"> • Continue to monitor via existing processes. • Review cash flow projections prepared by actuaries on a regular basis. 		
Responsibility:	Group Manager (Financial Services); Senior Accountant - Pensions & TM	Timescale:	On-going

Investments					
Risk description: Inv5 - Inadequate controls to safeguard pension fund assets.					
Inv5a - Investment managers					
	Likelihood:	Impact:	Risk Rating:		
Inherent Risk:	3	3	9	HIGH	↔
Current Risk:	2	3	6	MEDIUM	↔
Current Controls:	• Complete and authorised client agreements are in place. This includes requirement for fund managers to report regularly on their performance. The main managers attend Nottinghamshire Pension Fund Committee on a regular basis.				
	• Investment objectives are set, and portfolios must be managed in accordance with these				
	• AAF 01/06 (or equivalent) reports on internal controls of service organisations are reviewed for main managers.				
	• Internal decisions have a robust framework in place which is tested by internal audit				
	• Fund Managers maintain an appropriate risk management framework to minimise the level of risk to Pension Fund assets.				
Action Required:	• Continue to monitor via existing processes.				
Responsibility:	Group Manager (Financial Services); Senior Accountant - Pensions & TM		Timescale:	On-going	
Inv5b - Custody arrangements					
	Likelihood:	Impact:	Risk Rating:		
Inherent Risk:	3	4	12	VERY HIGH	↔
Current Risk:	2	3	6	MEDIUM	↔
Current Controls:	• Complete and authorised agreements are in place with the external custodian.				
	• AAF 01/06 (or equivalent) report on internal controls is reviewed for external custodian.				
	• Regular reconciliations carried out to check external custodian records.				

	<ul style="list-style-type: none"> Where assets are custodied in-house, physical stock certificates are held in a secure cabinet to which access is limited. 		
Action Required:	<ul style="list-style-type: none"> Continue to monitor via existing processes. 		
Responsibility:	Group Manager (Financial Services); Senior Accountant - Pensions & TM	Timescale:	On-going
Inv5c - Accounting arrangements			
	Likelihood:	Impact:	Risk Rating:
Inherent Risk:	3	2	6 MEDIUM ↔
Current Risk:	2	2	4 LOW ↔
Current Controls:	<ul style="list-style-type: none"> Pension Fund accounting arrangements conform to the Local Authority Accounting Code, relevant IFRS/IAS and the Pensions' SORP. The Pension Fund subscribes to the CIPFA Pensions Network and Technical Information Service and officers attend courses as appropriate. Regular reconciliations are carried out between in-house records and those maintained by the external custodian and investment managers. Internal Audits are carried out regularly. External Audit review the Pension Fund's accounts annually. 		
Action Required:	<ul style="list-style-type: none"> Continue to monitor via existing processes. 		
Responsibility:	Group Manager (Financial Services); Senior Accountant - Pensions & TM	Timescale:	On-going
Inv5d - Financial Administration			
	Likelihood:	Impact:	Risk Rating:
Inherent Risk:	3	3	9 HIGH ↔
Current Risk:	2	3	6 MEDIUM ↔
Current Controls:	<ul style="list-style-type: none"> The Pension Fund adheres to the County Council's financial regulations with appropriate separation of duties and authorisation limits for transactions. Daily cash settlements are made with the external custodian to maximise returns on cash. Investment transactions are properly authorised, executed and monitored. Contributions due to the fund are governed by Scheme rules which are overseen by Pensions Administration Contributions checked at the beginning of the year and the end of the year, and reconciled and balanced at the year-end. The Pension Fund maintains a bank account which is operated within regulatory guidelines. 		
Action Required:	<ul style="list-style-type: none"> Continue to monitor via existing processes. 		
Responsibility:	Group Manager (Financial Services); Senior Accountant - Pensions & TM	Timescale:	On-going

Inv5e – Stewardship -			
	Likelihood:	Impact:	Risk Rating:
Inherent Risk:	3	2	6 MEDIUM ↔
Current Risk:	2	2	4 LOW ↔
Current Controls:	<ul style="list-style-type: none"> • The Pension Fund aims to be a long term responsible investor. • Effective management of financially material social, environmental and corporate governance (ESG) risks should support the requirement to protect investment returns over the long term. ESG considerations are taken into account in the selection, non-selection, retention and realisation of investments by both the Pension Fund and underlying managers on the Fund's behalf • The Fund has a Climate Stewardship Plan which is implemented and reported on with the support of LGPS Central • The Fund is a member of Local Authority Pension Fund Forum (LAPFF) and supports their work on shareholder engagement. • The pension fund has a contract in place for a proxy voting services. Voting is reported to the Nottinghamshire Pension Fund Committee each quarter and published on the Fund website. 		
Action Required:	• Continue to monitor via existing processes.		
Responsibility:	Group Manager (Financial Services); Senior Accountant - Pensions & TM	Timescale:	On-going
Inv6 - LGPS Central incurs net costs or decreases investment returns			
	Likelihood:	Impact:	Risk Rating:
Inherent Risk:	4	3	12 HIGH ↓
Current Risk:	3	3	9 HIGH ↓
Current Controls:	<ul style="list-style-type: none"> • We are shareholders in LGPS Central and have significant influence on them through involvement in Shareholders Forum, Joint Committee and PAF • Costs and performance will be monitored 		
Action Required:	<ul style="list-style-type: none"> • Continue to attend meetings relevant meetings • Continue to monitor via existing processes. 		
Responsibility:	Nottinghamshire Pension Fund Committee Group Manager (Financial Services); Senior Accountant - Pensions & TM	Timescale:	On-going
Inv7 – Climate change affects the financial returns of the Fund.			
	Likelihood:	Impact:	Risk Rating:
Inherent Risk:	4	3	12 HIGH ↔
Current Risk:	4	2	8 MEDIUM ↔
Current Controls:	• The financial impact of climate change on the fund can be mitigated. Businesses and individuals will have to change their behaviour and		

	consumption to reduce their carbon footprint and this presents both opportunities and threats as investors.		
	<ul style="list-style-type: none"> • We engage with management of the companies we own through LGPS Central, LAPFF and Hermes EOS to influence them to consider climate change and their sustainability. 		
	<ul style="list-style-type: none"> • Climate change risks are already considered as part of the purchasing and holding decision 		
	<ul style="list-style-type: none"> • Climate risk analysis undertaken on an annual basis with the assistance of LGPS Central. 		
	<ul style="list-style-type: none"> • The Fund has a Climate Risk strategy and a Climate Stewardship plan 		
Action Required:	<ul style="list-style-type: none"> • The current impacts of climate change are affecting particular industries and regions and the Pension Fund will look to reduce exposure to these. • Continued move towards our long term asset allocation. 		
Responsibility:	Nottinghamshire Pension Fund Committee Group Manager (Financial Services); Senior Accountant - Pensions & TM	Timescale:	On-going

Administration				
Risk description: Adm1 - Standing data and permanent records are not accurate.				
	Likelihood:	Impact:	Risk Rating:	
Inherent Risk:	4	4	16	VERY HIGH ↔
Current Risk:	3	3	9	HIGH ↔
Current Controls:	<ul style="list-style-type: none"> • Business processes are in place to identify changes to standing data. 			
	<ul style="list-style-type: none"> • Records are supported by appropriate documentation; input and output checks are undertaken; reconciliation occurs to source records once input. 			
	<ul style="list-style-type: none"> • Documentation is maintained in line with agreed policies. 			
	<ul style="list-style-type: none"> • The Administration Strategy supports the monitoring of employer compliance. 			
	<ul style="list-style-type: none"> • A change of details form is sent out to members alongside their annual statement. 			
	<ul style="list-style-type: none"> • Data matching exercises (National Fraud Initiative) help to identify discrepancies. 			
	<ul style="list-style-type: none"> • Mortality Screening is being performed 			
	<ul style="list-style-type: none"> • The Data Improvement Plan is being implemented as reported to committee. 			
	<ul style="list-style-type: none"> • The GMP Reconciliation Project including Payroll and Pensions Data matching exercise with HMRC is continuing 			

	<ul style="list-style-type: none"> • Employer annual returns are reviewed and monitored. Breaches are reported to committee. 		
Action Required:	<ul style="list-style-type: none"> • Continue to monitor via existing processes. • Improve monitoring of returns from major fund employers • Implementation of Data Improvement plan • Progress GMP rectification • Progress Mc Cloud project 		
Responsibility:	Group Manager (BSC) Pension Manager	Timescale:	On-going

Administration				
Risk description: Adm2 - Inadequate controls to safeguard pension fund records.				
	Likelihood:	Impact:	Risk Rating:	
Inherent Risk:	3	5	15	VERY HIGH ↔
Current Risk:	2	3	6	MEDIUM ↔
Current Controls:	<ul style="list-style-type: none"> • ICT Disaster Recovery Plan and Security Plan are agreed and in place • The Administration Authority has an Operational Security and Risk Team, a Security Architect providing strategic direction, an Information Governance Team headed by the Data Protection Officer and an Information Governance Board, chaired by the SIRO, providing oversight. The network has been certified as PSN Code of Connection compliant for the last decade and comprises internal and perimeter firewalls, anti-virus software, intrusion detection and response platforms, secure baseline operating system builds, annual penetration tests, multi-factor authenticated remote access and offline backups, aligning with National Cyber Security Centre best practice at all points. • New back up arrangements are in place • Software is regularly updated to meet LGPS requirements. • Audit trails and reconciliations are in place. • GDPR awareness training and documentation is in place • Pension Administration Documentation is maintained in line with agreed policies. • Physical records are held securely in the Pension Office. • Pensions and other related administration staff undertake data management training as required. 			
Action Required:	<ul style="list-style-type: none"> • Continue to monitor via existing processes. • Undertaking a review of controls and Safeguards separate report to Pension Board and Committee once review has been completed. 			
Responsibility:	Group Manager (BSC) Pension Manager	Timescale:	On-going	

Administration					
Risk description: Adm3 - Failure to communicate adequately with all relevant stakeholders.					
	Likelihood:	Impact:	Risk Rating:		
Inherent Risk:	3	3	9	HIGH	↔
Current Risk:	2	3	6	MEDIUM	↔
Current Controls:	<ul style="list-style-type: none"> • A communications strategy is in place and is regularly reviewed. • The Fund website is periodically updated. • Member information guides are reviewed. • The Fund has an annual meeting aimed at all participating employers. • The Nottinghamshire Pension Fund Committee has representatives of the County Council, City Council, Nottinghamshire Local Authorities, Trade Unions, Scheduled and Admitted Bodies. • Meetings are held regularly with employers within the Fund. • District and City Council employers and other adhoc employer meetings take place as required • A briefing for employers takes place in February or March each year in preparation for year end • Benefit Illustrations are sent annually to contributing and deferred Fund members. • Annual report, prepared in accordance with statutory guidelines, is published on the website. 				
Action Required:	• Continue to monitor via existing processes.				
Responsibility:	Group Manager (BSC) Pension Manager		Timescale:	On-going	

Administration					
Risk description: Adm4 Scheme employers may fail to administer the scheme efficiently, leading to disruption to the discharge of administering authority functions (employer risk)					
Potential data quality issues.					
	Likelihood:	Impact:	Risk Rating:		
Inherent Risk:	3	5	15	VERY HIGH	↔
Current Risk:	2	3	6	MEDIUM	↔
Current Controls:	<ul style="list-style-type: none"> • Clear communication of requirements to scheme employers. • Employer data is being reviewed as part of the data improvement plan. 				

	<ul style="list-style-type: none"> Planned roll out of the employer portal to improve the transfer of data to the Pension Fund. 		
	<ul style="list-style-type: none"> Actuary makes prudent assumptions at valuation. 		
Action Required:	<ul style="list-style-type: none"> Continue to monitor via existing processes. Monitor using the Breaches Policy 		
Responsibility:	Group Manager (BSC) Pension Manager	Timescale:	On-going

Administration					
Risk description: Adm5 Serious breach of law regarding the management of data/information, including an unauthorised release requiring notification to ICO, leading to disruption to the discharge of administering authority functions.					
	Likelihood:	Impact:	Risk Rating:		
Inherent Risk:	3	5	15	VERY HIGH	↔
Current Risk:	2	3	6	MEDIUM	↔
Current Controls:	<ul style="list-style-type: none"> Information Governance oversee policies and procedures 				
	<ul style="list-style-type: none"> Data breach procedure in place 				
	<ul style="list-style-type: none"> Assurance obtained from third party providers and contractors on compliance with relevant legislation. 				
	<ul style="list-style-type: none"> Identified Data Protection Officer 				
	<ul style="list-style-type: none"> Appropriate access levels in the Pension Administration system. 				
Action Required:	<ul style="list-style-type: none"> Continue to monitor via existing processes. Undertaking a review of controls and Safeguards separate report to Pension Board and Committee once review has been completed. 				
Responsibility:	Group Manager (BSC) Pension Manager	Timescale:		On-going	

16 December 2021**Agenda Item: 9****REPORT OF THE SERVICE DIRECTOR, CUSTOMERS, GOVERNANCE AND
EMPLOYEES****PENSION BOARD WORK PROGRAMME 2021-2022****Purpose of the Report**

1. To consider the Pension Board's work programme for 2021-22.

Information

2. The work programme, attached as an Appendix to this report, will assist the management of the Pension Board's agenda, the scheduling of the Board's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and Board meeting. Any member of the Board is able to suggest items for possible inclusion.
3. The attached work programme has been updated from the work programme presented at the September meeting and includes items which can be anticipated at the present time. Other items will be added to the programme as they are identified.
4. It is also anticipated that the Board may wish to commission periodic reports on specific issues. The Board is therefore requested to identify any additional activities on which it would like to receive reports for inclusion in the work programme.
5. The meeting dates and agenda items are subject to review in light of the ongoing COVID-19 period.

Other Options Considered

6. None.

Reason for Recommendation

7. To assist the Pension Board in preparing its work programme.

Statutory and Policy Implications

8. 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

- 1) That the Nottinghamshire Pension Board considers whether any amendments are required to the Work Programme.

Marjorie Toward
Service Director, Customers, Governance & Employees

For any enquiries about this report please contact:

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Constitutional Comments (KK06/12/2021)

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

Financial Comments (KP02/12/2021)

8. 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

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

PENSION BOARD - WORK PROGRAMME 2021-22

REPORT TITLE	BRIEF SUMMARY OF AGENDA ITEM	LEAD OFFICER	REPORT AUTHOR
December 2021			
Triannual Valuation	Update the Board on the Triannual Valuation Invite the Scheme Actuary	Jonathan Clewes/ Tamsin Rabbitts	Jon Clewes
LGPS Transforming Pension Administration Update Report	Periodic Update	Sarah Stevenson	Sarah Stevenson
Breaches Log	Report on the Breaches Policy	Jon Clewes	Jon Clewes
Revision of Fund Strategy Documents		Keith Palframan	Keith Palframan
Risk Register	Regular Review		
17 March 2022			
Update on LGPS Central Pool	Update on the LGPS Investment Pooling agenda in the specific context of the Nottinghamshire Fund	Keith Palframan	
Annual Report and Accounts	Up date on the Fund Annual Report and Accounts	Tamsin Rabbitts	
LGPS Update Report	Regular Update on national LGPS issues	John Raisin	Advisor to The Board
Governance Conference	Update on the Fund Attending the Governance Conference	Jon Clewes	Jon Clewes
Cyber Security	Review of the Pension Fund Cyber security to meet the Pension Regulator requirements	Jon Clewes	Jon Clewes
Training Plan	Board Training		
Risk Register	Regular Review	Jon Clewes Tamsin Rabbitts	
23 June 2022			
LGPS Update Report	Regular Update on national LGPS issues		The Advisor to the Pension Board
Risk Register	Regular Review		

REPORT TITLE	BRIEF SUMMARY OF AGENDA ITEM	LEAD OFFICER	REPORT AUTHOR
September 2022			
Pension Fund Investment Strategy Statement	Update to the Pension Board in respect of the development of the Pension Fund Investment Strategy Statement	Keith Palframan	
LGPS Pensions Administration Performance Report	Regular Performance Report	Jonathan Clewes	Jon Clewes
LGPS Update Report	Regular Update on national LGPS issues		The Advisor to the Pension Board
Risk Register	Regular Review		
To Be Placed			
Good Governance in the LGPS project – Implications for the Nottinghamshire Pension Fund	Report on the implications of the national Scheme Advisory Board/MHCLG project on LGPS governance in the context of the Nottinghamshire Pension Fund	Good Governance in the LGPS project – Implications for the Nottinghamshire Pension Fund	Report on the implications of the national Scheme Advisory Board/MHCLG project on LGPS governance in the context of the Nottinghamshire Pension Fund
The Pensions Regulator Single Modular Code	Report on new national pensions governance and administration Code of Practice	Jon Clewes	The Pensions Regulator Single Modular Code
Pension Fund –Update on Internal Audit reviews	To update the Pension Board on work relating to the Pension Fund undertaken by Internal Audit		
The Pension Regulator's Governance and Administration Survey	Annual Report/Update (Depends on the date of the Survey)	Jonathan Clewes	Jonathan Clewes
Cipfa Benchmarking	Report on the funds Cipfa Benchmarking	Jonathan Clewes	Jonathan Clewes

REPORT TITLE	BRIEF SUMMARY OF AGENDA ITEM	LEAD OFFICER	REPORT AUTHOR

