Nottinghamshire County Council

# minutes

| Meeting | NOTTINGHAMSHIRE LOCAL PENSION BOARD |
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| Date | Thursday 29 September 2022 at 10:30 am |

**membership**

### Employers

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

### Members

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

### Also in Attendance

None

### Officers in Attendance

Sara Allmond      Advanced Democratic Services Officer
Jon Clewes      Team Manager, Pensions
Ciaran Guilfoyle      Investments Officer
Keith Palframan      Team Manager, Financial Services
Sarah Stevenson      Group Manager, Business Service Centre


### UPDATE ON BANK OF ENGLAND GILT MARKET BAIL OUT

Keith Palframan advised the Board that the recently reported purchasing of gilt bonds by the Bank of England to shore up pensions funds, was not of significant impact to the Local Government Pension Scheme as it only had limited number of investments within the gilt bond market. This was mainly an issue for closed pension funds.

### 1. MINUTES

The minutes of the last meeting held on 23 June 2022 were agreed and signed by the Chairman.

### 2. APOLOGIES FOR ABSENCE

An apology was received from John Raisin, Financial Services Ltd, Advisor to the Board

3. **DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS**

None.

4. **APPOINTMENTS**

**RESOLVED 2022/009**

To note the appointment of Councillor Dr Nayab Patel as the representative of Nottingham City Council on the Board, and the appointment of Becky Smeathers from Nottinghamshire Fire and Rescue as an employer representative on the Board.

5. **NOTTINHGHAMSHIRE LOCAL PENSION BOARD LGPS UPDATE (SEPTEMBER 2022)**

John Clewes, Team Manager, Pensions introduced the report on behalf of the Advisor to the Board, which provided a general update since the last meeting on:

(a) Developments relating to the Department of Levelling Up, Housing and Communities and issues on which a consultation had been expected in Autumn 2022
(b) Investment pooling
(c) Climate reporting
(d) Good governance in the Local Government Pensions Scheme
(e) Age discrimination in the Local Government Pension Scheme (McCloud)

In relation to (e) above, the Board were informed that the Pension Fund were undertaking considerable work to collate data around this issue. A Project Manager and Data Officer were carrying out the work and had contacted large employers to gather the required information and would be contacting smaller employers to gather the same information, to build a full picture across the Fund.  It was a difficult, time and resource intensive piece of work. A further update would be brought back once the remedy was known.

**RESOLVED 2022/010**

That the report of the Advisor to the Pensions Board providing a Local Government Pension Scheme update be noted.

6. **LGPS PENSIONS ADMINISTRATION PERFORMANCE REPORT**

Jon Clewes presented his report, which gave an overview of the work of the Pension Administration Team for the period 1 April 2021 to 31 March 2022. The issues that were highlighted included:

- The Pension Administration Team faced another challenging year. Changes in legislation and new transfer processes, plus the continuing impact of Covid with more fund members considering their pension future and the possibility of taking their pension earlier.
- 2021-22 was a valuation year for the Fund, and data was provided to the scheme actuary.

- Data quality continuing to be high on the agenda and it was improving. The work undertaken and updates on data should all help to improve data quality, with the work linked to the data improvement workstream.
- The current membership in the fund had increased, mainly due to transfers from academy trusts which had created quite a bit of work.
- The number of employers in the scheme was down but a number of individual schools have been consolidated under single trusts.

In response to a question regarding the Prudential AVC (Additional Voluntary Contributions scheme) and data ownership, Members were advised that the Pensions Fund was now seen as a Trustee by Prudential and the Fund now essentially administered the AVC scheme. This was a change to previous AVC providers. There had been missing records on the Prudential system which had been rectified so fund members could now see all information on their records. When a fund member requested their figures, the AVC figures were included as they needed to be taken into account in the calculations. Once confirmed Prudential were notified to make the payment and they sent a cheque. It could create turmoil if not applied properly.

In relation to recruitment, Members were advised that there were 10 posts to be filled. Four had been recruited to in the Pensions Admin Team and one into the Compliance Scheme. Recruitment was being undertaken through the Indeed Job Board. The new staff would be trained and then a further round of recruitment would be carried out. Most new recruits were at entry level, and consideration was being given to bring more people in at that level and train them up to progress into more senior roles due to shortages of experienced staff within the labour market nationally. Work was being undertaken nationally to look at the possibility of introducing an apprenticeship scheme to help develop the work force.

Members asked why there were a number of employers leaving the fund and were advised that some perceived the fund as too expensive and could not afford the fees, one had ceased trading in the area and some were where academies changed provision such as for cleaning and catering. However, a number of employers had also joined and therefore the number of employers in the fund was up overall.

**RESOLVED 2022/011**

1) That the performance of the administration of the pension fund, and the continued development of systems and processes that will improve the service to members of the fund be noted.

7. **LOCAL GOVERNMENT PENSION SCHEME – INITIAL REPORT ON THE PROPOSED PENSION DASHBOARD PROGRAMME**

Jon Clewes, introduced the report which provided an overview of a National Pensions Dashboard, emanating from a government led project requiring the pension industry to design and own the dashboard. The report set out the outline of proposed phases and explained the activities the Pension Fund would potentially ned to undertaken in the implementation of the dashboard.

Members highlighted the importance of the system being user friendly as pensions was a complex area and asked to see a demo of the system when available.

Members raised concerns that the system did not seem to be very automated and manual inputting of information from individual Fund Administrators was required and that the system was limited as it did not allow members to alter the parameters to check different options and would instead just show the current position. The Pension Fund was still looking at developing a local version which would enable fund members to run their own estimates.  Accurate data was key to enable this, and this was still being collated meaning this was some way off being developed but it was a long term plan.  With finite resource in the teams, national projects were impacting on ability to undertake local projects.

Whilst data collection was improving there was still the ongoing issue of year end returns from employers still being incorrect, which was a long standing problem, and continued to have an impact on the teams administering the fund. Work would continue to support employers to provide the correct information first time. Where information was being consistently not updated or inaccurate consistently provided, the Fund were now issuing fines.

In terms of security on the dashboard, assurances had been provided to the Fund that data security was being given first priority and the search parameters for the data were being considered now. The access would work similar to that of the Government Gateway.

**RESOLVED 2022/012**

1)  That the implications of the Pension Dashboard Programme be noted, and that further update reports be presented to the Board as the project becomes clearer as the National Programme progresses.

2)  That an update report on the resource requirements of the Pension Fund to enable the implementation of the Pension Dashboard Programme be brought to a future meeting of the Board.

8.  **PENSION BOARD TRAINING PROGRAMME**

Jon Clewes, introduced the report which set out a training programme recommended by the Advisor to the Board.

A concern was raised regarding the amount of training undertaken by Pension Fund Committee Members.  Members were advised that in the Good Governance Recommendation there was going to be a requirement for training.

**RESOLVED 2022/013**

That the training programme proposed by the Independent Advisor to the Board as set out in Appendix A of the report, be approved.

9.  **PENSION FUND – RISK REGISTER**

Jon Clewes, introduced the report which provided the current Nottinghamshire Pension Fund Risk Register.

**RESOLVED 2022/014**

That the report be noted.

## 10.  **WORK PROGRAMME**

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

**RESOLVED 2022/015**

That the work programme be approved.

The meeting concluded at 12:08pm.

**CHAIRMAN**