

## Local Pensions Board

**Thursday, 15 June 2023 at 10:30**

County Hall, West Bridgford, Nottingham, NG2 7QP

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### AGENDA

- |   |  |         |
|---|--|---------|
| 1 | Minutes of Last Meeting held on 16 March 2023  | 3 - 8   |
| 2 | Apologies for Absence  |         |
| 3 | Declarations of Interests by Members and Officers:- (see note below)<br>(a) Disclosable Pecuniary Interests<br>(b) Private Interests (pecuniary and non-pecuniary) |         |
| 4 | Minutes of Pension Board Chairs of LGPS Central Funds Meeting held on 27 March 2023  | 9 - 14  |
| 5 | LGPS Scheme Valuation<br>Presentation by Barnett-Waddingham, Scheme Actuary  |         |
| 6 | Nottinghamshire Local Pension Board LGPS Update  | 15 - 20 |
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#### 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 Noel McMenamin (Tel. 0115 993 2670) 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 16 March 2023 at 10:30 am

### membership

#### Employers

Councillor Reg Adair

Councillor Dr. Nayab Patel

Becky Smeathers

Nottinghamshire County Council

Nottingham City Council

Nottinghamshire Fire and Rescue

#### Members

Mark Heppenstall

Thulani Molife (Chair)

Pension Scheme member

Pension Scheme member

#### Also in Attendance

None

#### Officers in Attendance

Noel McMenamin Democratic Services Officer

Jon Clewes Team Manager, Pensions

Ciaran Guilfoyle Investments Officer

Keith Palframan Team Manager, Financial Services

John Raisin – Advisor to the Board (via video link)

Sarah Stevenson Group Manager, Business Service Centre

#### 1. MINUTES

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

#### 2. APOLOGIES FOR ABSENCE

None.

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

None.

#### **4. TRAINING PROPOSAL**

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

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

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

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

#### **RESOLVED 2023/001**

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

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

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

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

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

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

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

## **RESOLVED 2023/002**

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

### **6. LGPS GOVERNANCE CONFERENCE 19-20 JANUARY 2023**

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

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

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

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

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

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

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

### **RESOLVED 2023/003**

That the report be noted.

## **7. LOCAL PENSION BOARD – RISK REGISTER**

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

The following issues were raised and points made during discussion:

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

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

#### **RESOLVED 2023/004**

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

#### **8. WORK PROGRAMME**

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

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

#### **RESOLVED 20223/005**

That the work programme be approved.

The meeting concluded at 11.35am.

**CHAIRMAN**



**Notes from Meeting of Local Pension Board Chairs of LGPS Central Funds  
27 March 2023, 10:00am, In person meeting held at i9, Wolverhampton**

**Attendees:**

<b>Fund</b>	<b>Member</b>	<b>Position</b>
Cheshire	Peter Raynes Heidi Catherall	LPB Chair Officer
Derbyshire	Ronald Graham Dawn Kinley	LPB Chair Officer – attended online
Leicestershire	Ian Howe	Officer – attended online
Nottinghamshire	Thulani Molife Jon Clewes	LPB Chair Officer
Shropshire	David Wright Justin Bridges	LPB Chair Officer
Staffordshire	Rob Birch	LPB Chair
Worcestershire	*not present*	
West Midlands	Rachel Howe Hayley Reid Laura Parker Marsden	Officer Officer Officer
SAB/LGA	Ona Ehimuan	SAB Secretary
LGPS Central Ltd	Matt Jones Patrick O’Hara	Chief Stakeholder Officer Director of Responsible Investment and Stewardship

**Apologies:** Councillor Roger Phillips – Worcestershire

**1) Introductions/Protocol**

The Chair introduced the meeting and members introduced themselves.

**2) Notes from the last meeting – 24 October 2022**

PR reminded the group about the Hymans Online Learning Academy (LOLA) which has a module for current issues. Within this module is an excellent training session on cyber security. This provides a useful summary for non-technical staff and may help to determine what actions Funds need to take on this topic.

**3) Update from the Scheme Advisory Board (SAB)**

OE provided an update on a number of areas which has arisen since the last meeting in October 2022.

## McCloud

The response to the consultation is still awaited. A further consultation and draft regulations are expected but there is no clear timeframe for when they will be published. Changes to legislation to enact the McCloud remedy are still expected to come into force from 1 October 2023.

The Scheme Advisory Board (SAB) have issued guidance to set out how Funds proceed if they are unable to collect the data needed from employers to implement the McCloud remedy, and this covers both not being able to obtain the data and not having confidence in the data obtained.

## Pensions Dashboard Programme

On 2 March the Department for Work and Pensions (DWP) delivered a Ministerial Statement to say that the pensions dashboard programme would be delayed allowing more time to meet the significant challenges in developing the necessary digital architecture.

The staging date for the LGPS was meant to be September 2024. The new staging date for the LGPS has yet to be announced.

## Climate Risk Reporting

On 1 September 2022 the Department for Levelling Up, Housing and Communities (DLUHC) issued a consultation on Governance and Reporting on Climate Risks. The consultation ran for 12 weeks and closed on 24 November 2022. SAB have published their response to the consultation: [221012\\_DLUHCClimateRiskReportingconsultation\\_SABresponse.pdf \(lgpsboard.org\)](https://www.lgpsboard.org/221012_DLUHCClimateRiskReportingconsultation_SABresponse.pdf)

## Pooling Guidance

Further guidance and a consultation on asset pooling are still expected although no fixed date has been set. It is expected that this guidance would outline the next steps for pooling, a review of progress to date and an assessment of whether the government's original aims and objectives are being delivered.

## New Stewardship Code

The new code is expected to be published in the Spring of 2023.

## Costs Management

On 30 January 2023, DLUHC launched a consultation on changes to the SAB Cost Management Process (CMP). The consultation closed on 24 March 2023. The consultation follows the report from the Government Actuary's Department into changes to the HM Treasury CMP, and the resulting policy and legislative changes set out in HM Treasury's response to that report. It acknowledges the differences between these two processes but proposes measures suggested by SAB in its consultation response to better integrate the SAB process within the statutory HM Treasury mechanism.

A response to the consultation is expected in May.

## Levelling Up

There are no further updates on levelling up although SAB understands that the 5% target for local infrastructure will be kept.

## Code of Transparency

The code of transparency's aims are to ensure that investment costs are being reported transparently. The SAB RIAG working group convened members to tease out any issues with the existing system and formulate a plan to address them.

Changes are being made to the system used to manage the transparency data, which is provided by Byhiras.

New functionality will allow funds to receive notifications when managers submit data and whether that is late etc.

The changes will be accompanied by a communications campaign to raise awareness and ensure everyone knows how to make best use of the system.

## Sharia Compliance in the LGPS

SAB have a procurement underway to commission a report on the compatibility of LGPS investments with sharia law. The report is expected in the Summer. The report is intended to provide support to Funds who may be subject to potential legal challenges.

## **4) LGPS Central - Update**

LGPS Central were invited to the meeting to provide an overview of how ESG/RI issues that surround the investments are managed for client funds.

PR pointed out that Board members recognise that it's not their role to undertake oversight of LGPS Central but rather to support their own Fund's in ensuring efficient and effective governance and administration.

All funds need to have a robust ESG/RI programme for all assets they hold, including those with LGPS Central. Therefore, Board members are keen to understand the processes that Central have in place.

AJ started with the background of Central as a pooling company, and where the company support clients in regard to investment decisions.

MJ provided an overview of the governance structure for Central and partner funds and explained the various interactions between them.

PO'H set out Central's approach to RI and how it interacts with funds. Central engage with investment companies and retain voting rights to influence them.

There are numerous areas of interest where Central receive questions from the public including; climate change, biodiversity, human rights and a variety of other areas.

Central undertake a number of actions to support funds with RI, such as:

- Producing climate risk reports for each fund
- Providing training on climate related issues
- Holding regular RI summits
- There is a RI working group who meet monthly

All of the above provide useful stewardship information for funds and allow them to produce their annual TCFD reports.

Pooling hasn't been a heavily regulated area so far but that is changing a bit now with the introduction of mandatory TCFD reports, as an example.

Most funds do not have the ability to have their own RI specialist, so this is an area where Central can add value which isn't specifically related to investment assets.

## **5) Round Table Briefing**

### Cyber Security

Given the increased focus from the Pensions Regulator, there was a discussion about cyber security. Funds are at different stages but most are on a journey to developing their own strategy and operational plan for managing cyber risk.

The group felt it was important to have a written SLA with the administering authorities ICT department to properly hold them to account on cyber related issues. Attendees were encouraged to circulate any SLAs that they might have to assist with this.

## Good Governance

Funds are preparing for the introduction of the Good Governance review.

The recommendations from phase 3 of the Good Governance review were published in early 2021 and a template was devised for funds to capture their current compliance with the proposed recommendations.

The template has been updated by all funds in the pool and demonstrates that most funds are already broadly compliant with the recommendations and await the official publication before making any further changes.

## Board Membership

Some Boards are finding it difficult to recruit members. It is useful to set out clearly the expectations of Board members, how many meetings they should attend, the training involved and whether they are remunerated.

## **6) AOB**

The group noted that the Royal Borough of Kensington and Chelsea had not left their pool as it was suggested they would.

In the Spring budget the chancellor made a direct reference to LGPS pooling. The budget stated “The government is challenging the Local Government Pension Scheme in England and Wales to move further and faster on consolidating assets. This may include moving towards a smaller number of pools in excess of £50bn to optimize benefits of scale”.

Whilst Funds recognise the desire to move to fewer larger funds consideration needs to be given to the make up of existing funds and their position on the transition of existing assets, which is not straight forward.

PR asked the group how they would like to hold future meetings, online or face to face. The group expressed the wish to meet in person and hold the meetings in Wolverhampton which is easy for most people to travel to.

The next meeting will take place on: Monday 23 October 2023 in Wolverhampton.



# **JOHN RAISIN FINANCIAL SERVICES LIMITED**

## **The Nottinghamshire Local Pension Board**

### **LGPS Update**

#### **A paper by the Advisor to the Pension Board** **June 2023**

#### **Introduction**

This paper informs and updates the Pension Board in respect of a number of important issues relating to the LGPS at a national level. The issues covered in this paper are:

1. Changes to the Scheme Advisory Board (SAB) Cost Management process.
2. Changes to Pensions Taxation.
3. Further Consultation on “McCloud” (Age Discrimination in the LGPS).
4. Climate Change Reporting.
5. Investment Pooling.
6. Good Governance in the LGPS project.
7. The Pensions Regulator: New General Code.

It is hoped this paper will be informative to all Members of the Pension Board and in particular to those who have joined the Board more recently.

#### **1. Changes to the Scheme Advisory Board (SAB) Cost Management process**

The March 2023 LGPS Update (which was finalised on 6 March 2023) included a briefing on the Cost Management process introduced into the LGPS as a consequence of the Public Service Pensions Act 2013. This included reference to the two Cost Management mechanisms applicable to the LGPS – the employer cost cap (ECC) process as operated by HM Treasury and the future service cost (FSC) as operated by the LGPS Scheme Advisory Board (SAB).

The March Update also informed the Board that on 30 January 2023 DLUHC launched a Consultation (which closed on 24 March 2023) entitled “**Local Government Pension Scheme: Changes to the Scheme Advisory Board cost management process**” The Consultation aimed to update the SAB process in light of the 2021 changes to the HM Treasury cost control process and to provide the SAB with greater flexibility in how it responds to any cost variations. The SAB submitted a response to this Consultation in March 2023 which was generally supportive of the Government’s proposals.

On 11 May 2023 Government published its response to the Consultation on changes to the SAB’s cost management process and also issued The Local Government Pension Scheme (Amendment) (No. 2) Regulations 2023 which come into force on 1 June 2023. The changes introduced by the new Regulations better align the SAB’s cost management process with HM Treasury revised cost control process of 2021. They also give the Scheme Advisory Board greater flexibility in the making of recommendations to the Secretary of State.

## **2. Changes to Pensions Taxation**

In his Budget of 15 March 2023, the Chancellor of the Exchequer announced significant changes to the pensions taxation regime applicable to both private sector and public sector pensions. The Annual Allowance (the maximum amount of pensions savings an individual can make each year before incurring a tax charge) is to increase from £40,000 to £60,000 from 6 April 2023, with individuals continuing to be able to carry forward unused Annual Allowances from the three previous tax years. The Chancellor also announced his intention to abolish the Lifetime Allowance which was £1,073,100 at the time of the Spring 2023 Budget.

Most members of the LGPS have never earned enough to be within the scope of either the Annual or Lifetime Allowance. However, increasing numbers of senior managers have become subject to these taxation provisions in recent years and this trend was set to continue and increase as the Government appeared to be likely to freeze these allowances over the long term. The increase in the Annual Allowance and the abolition of the Lifetime Allowance means that almost all members of the LGPS will now be exempt from the pension’s taxation regime. These changes will also simplify LGPS benefit calculations/entitlements.

## **3. Further Consultation on “McCloud” (Age discrimination in the LGPS)**

The Public Service Pensions Act 2013 which reformed all the major public service pension schemes from 2014 or 2015 (fundamentally by replacing final salary with career average salary as the basis for the calculation of benefits) included provision for protections for older members designed to ensure they would not be worse off as a result of the introduction of the new schemes. In 2018 the Court of Appeal ruled that in the case of the Judges’ and Firefighters Pension Schemes this was (age) discriminatory against younger members. In July 2019, the Government confirmed that there would be changes to all public service pension schemes, including the LGPS, to remove this age discrimination. This whole issue is now commonly referred to as “McCloud.”

On 16 July 2020, the then MHCLG issued a Consultation called “**Amendments to the statutory underpin**” to address the age discrimination identified in the LGPS. On 6 April 2023 the DLUHC issued its response to the 2020 Consultation detailing how it will proceed. On 30 May 2023 DLUHC issued a further Consultation “**McCloud’ remedy in the LGPS – supplementary issues and scheme regulations**” together with draft Regulations regarding the “McCloud” remedy. This Consultation closes on 30 June 2023.

In this latest Consultation the Government is seeking views where in its 6 April 2023 response it stated it would be reconsulting to obtain further views, and also on issues which were not addressed in the 2020 Consultation. At the same time the Government is seeking feedback on draft Regulations which would implement the (entire) “McCloud” remedy. It is intended these Regulations come into force on 1 October 2023. Assuming that the Regulations come into effect from October 2023 LGPS Pension Funds will review qualifying members pensions to determine any effects on individuals. It should however be pointed out that most individual members will not experience any increase in the benefits they ultimately receive as a result of “McCloud” – this is because the pension they build up in the present career average scheme will be higher than what they would have built up in the previous final salary scheme.

#### **4. Climate Change reporting**

In the March 2023 LGPS Update it was reported that it was anticipated that Regulations to introduce Climate Change reporting into the LGPS would be issued retrospectively, after 1 April 2023, but would apply from 1 April 2023. No such Regulations were, however, issued in April 2023.

On 23 May 2023 the Scheme Advisory Board stated on its website that the implementation of Climate Risk reporting in the LGPS – “*is now expected to commence from 1 April 2024, with first reports due in late 2025.*”

#### **5. Investment Pooling**

A Consultation on the further development of Investment (Asset) Pooling has been expected since 2019. On 9 December 2022 the Chancellor of the Exchequer Rt Hon Jeremy Hunt MP stated that the Government “*Will, in early 2023, consult on new guidance to the Local Government Pension Scheme (LGPS) in England and Wales on asset pooling.*”

On 15 March 2023 the Chancellor of the Exchequer announced his Spring Budget 2023. The **SPRING BUDGET 2023** red book which sets out in full the Chancellor of the Exchequer’s Spring Budget 2023 included the following:

- **4.116 Local Government Pension Scheme investment** – The government is challenging the Local Government Pension Scheme in England and Wales to move further and faster on consolidating assets – a forthcoming consultation will propose LGPS funds transfer all listed assets into their pools by March 2025, and set direction for the future. This may include moving towards a smaller number of pools in excess of £50 billion

to optimise benefits of scale. While pooling has delivered substantial benefits so far, progress needs to accelerate to deliver, and the government stands ready to take further action if needed. The Government will also consult on requiring LGPS funds to consider investment opportunities in illiquid assets such as venture and growth capital, thereby seeking to unlock some of the £364 billion of LGPS assets into long-term productive assets.

As at the date of finalising this LGPS Update (6 June 2023) no Consultation on the future of Investment Pooling has been issued by the DLUHC. If anything is issued this year it will (almost certainly) just be a Consultation – not actual new Regulations/Statutory Guidance. This is because a major Consultation normally lasts for three months, and the Government then considers all the responses received, and issue its reply to these before then issuing the consequent Regulations and/or Statutory Guidance.

Any Consultation on the further development of Investment Pooling will doubtlessly result in many, and varied, responses from not only individual LGPS Funds but also a range of other LGPS stakeholders. Given the response to the (subsequently withdrawn) 2019 Investment Pooling Consultation which included suggestions of legal challenge, and the judgement of the Supreme Court in a 2020 case concerned with LGPS Regulations, the DLUHC will doubtlessly very carefully consider not only the proposals in any Consultation it issues, but also how it responds to responses to the Consultation, and the nature of the final Regulations and/or Statutory Guidance issued. Therefore, any new Investment Pooling regime is unlikely to be finalised before 2024.

## **6. Good Governance in the LGPS project**

The Good Governance in the LGPS project was initiated by the SAB in 2018 and the Board has received regular updates on progress, most recently at its meeting held on 29 September 2022. The project sought to fundamentally enhance and strengthen the governance of the individual LGPS Funds in England and Wales. The project took place over three phases and included extensive stakeholder involvement. In February 2021 the SAB received the final Phase III report, considered, and approved an Action Plan based on the final report. The Action Plan was then forwarded to the Government. A Consultation on changes to the LGPS Regulations and new Statutory Guidance is expected from DLUHC to require the implementation of a strengthened approach to LGPS governance as proposed by the Good Governance in the LGPS project. This Consultation has however been delayed along with others, such as the Investment Pooling Consultation.

Notwithstanding the delay in the expected LGPS Governance Consultation the Phase III Good Governance Report and SAB Action Plan set out a range of clear improvements to LGPS Governance some of which can clearly be progressed by individual LGPS Funds without the need for any further action from either the DLUHC or SAB.

The Recommendations in the SAB Action Plan which a LGPS Fund could implement immediately include **A1,B1,C1,D1,D3,E2,E3,E4**. For some of these a further revision may be required once the LGPS Regulations/Statutory Guidance are amended/issued to require their mandatory implementation. However positive action in respect of each of the Recommendations above would represent good practice by an individual LGPS Fund.

A significant number of LGPS Funds have already taken reports to their Pension Committee (or equivalent) regarding the proposals in the SAB Action Plan and are taking positive action to review their present governance arrangements and progress implementation of the recommendations of the Scheme Advisory Board's (SAB) Good Governance Review. This clearly represents good practice.

## **7. The Pension Regulator: New General Code**

By virtue of the Public Service Pensions Act (PSPA) 2013 the Pensions Regulator (TPR) has, since April 2015, had an oversight role in relation to the Administration of Benefits and (to a lesser extent) Governance of public service pension schemes including the LGPS. The remit of TPR does not extend to LGPS investment issues which remain solely the responsibility of DLUHC.

As a result of the extension of its remit to public service pension schemes TPR issued in 2015 its Code of Practice No14 "Governance and Administration of Public Service Pension Schemes." This is one of the Codes of Practice issued by TPR with the others covering various issues as they relate to private sector pension schemes/arrangements. Since 2021 TPR has been working towards issuing a new General Code (formerly referred to as the Single Code of Practice) to consolidate several of the existing Codes of Practice, including Code No14, into one Code. The new General Code will also contain revisions of requirements to those contained in the existing Codes.

While not all of the TPR new General Code will be applicable to the LGPS its introduction will require that all LGPS Funds assess, implement and demonstrate compliance with the applicable parts of the new Code. The finalised version of the new General Code is expected to be issued later this year.

**John Raisin**

6 June 2023

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Company Number 7049666 registered in England and Wales.  
Registered Office Market House, 10 Market Walk, Saffron Walden, Essex, CB10 1JZ  
VAT Registration Number 990 8211 06



15 June 2023

Agenda Item:7

## **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, 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 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.

### **Pension Board**

10. The objective of the Local Pension Board is to ensure that the pension scheme is properly run. The board assists the County Council to secure compliance with pension legislation and ensures the effective and efficient governance and administration of the pension scheme.

11. The Board has eight member positions. Four members represent employers in the pension scheme, and four represent scheme members.
12. The Pension Board has responsibility for assisting the Nottinghamshire Pension Fund Committee:
  - a. To secure compliance with all legislation relating to governance and administration of the Local Government Pension Scheme in Nottinghamshire and the requirements imposed by the Pensions Regulator and,
  - b. To ensure the effective and efficient governance and administration of the Local Government Pension Scheme in Nottinghamshire.
13. The Pension Board has the authority to request information about any aspect of the County Council's function as Administering Authority of the Local Government Pension Scheme in Nottinghamshire, and any such requests to be complied with
14. The Pension Board has the Authority to make recommendations to the Admin Authority or the relevant committee, any such recommendation being considered, and a response made within reasonable period.
15. The Pension Board has the authority to escalate serious concerns (relating to potential fundamental breach of legislation or governance failure) to the relevant body.

### **Scheme Employers**

16. In addition to the Administering Authority, several 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**

17. 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**

18. 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).
19. 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**

20. The Service Director Customers, Governance and Employees is responsible for the Pensions Administration function, operated by the Pensions Office within the Business Services Centre. This function covers:
- Pensions administration and employer's support
  - Pensions administration systems
  - Communications
  - Technical/performance support
21. The Group Manager, Business Services Centre, and the Pension Manager, who are 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**

22. The Fund has an Independent Adviser who attends meetings of the Nottinghamshire Pension Fund Committee and Pensions Working Party as required.
23. 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**

24. 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 to achieve its long-term funding objectives described in paragraph 4.

25. 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.
26. 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.
27. 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.
28. 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.

### **Risk Register Review**

29. At the last Pension Board meeting, it was reported that there is currently a review being undertaken of the risk register involving the County Council's Insurance providers Zurich. Once the review has been completed a new risk register will be developed and presented to the Pension Board and Pension Fund Committee.
30. The risk register identifying the current risks and mitigation is attached as Appendix A.

### **Statutory and Policy Implications**

31. 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**

32. 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 Administration Manager, Pension Administration  
on 01159773434 or jon.clewes@nottsc.gov.uk

### **Constitutional Comments (KK 01/03/2023)**

33. 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 01/03/2023)**

34. 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.

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

<b>IMPACT:</b>		
<b>1</b>	Insignificant	0 to 5% effect
<b>2</b>	Minor	6 to 20% effect
<b>3</b>	Moderate	21 to 50% effect
<b>4</b>	Significant	51 to 80% effect
<b>5</b>	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

<b>Relative Impact</b>	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
		<b>Relative Likelihood</b>				

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		
<b>Risk Gov4</b> Inadequate resources are available to manage the pension fund.	20	VERY HIGH	↔	12	HIGH	↔
<b>Risk Adm1</b> Standing data & permanent records are not accurate.	16	VERY HIGH	↔	9	HIGH	↔
<b>Risk Inv3</b> Fund assets are assessed as insufficient to meet long term liabilities.	16	VERY HIGH	↔	9	HIGH	↔
<b>Risk Inv6</b> LGPS Central incurs net costs or decreases investment returns	12	HIGH	↓	9	HIGH	↓
<b>Risk Adm2</b> Inadequate controls to safeguard pension fund records	15	VERY HIGH	↔	6	MEDIUM	↔
<b>Risk Adm4</b> 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	↔
<b>Risk Adm5</b> 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	↔
<b>Risk Inv4</b> Significant variations from assumptions used in the actuarial valuation	12	HIGH	↔	9	HIGH	↔
<b>Risk Inv7</b> Financial risk of climate change	12	HIGH	↔	8	MEDIUM	↔
<b>Risk Inv1</b> Inappropriate investment strategy is adopted.	12	VERY HIGH	↔	6	MEDIUM	↔
<b>Risk Inv5b</b> Custody arrangements	12	VERY HIGH	↔	6	MEDIUM	↔
<b>Risk Gov5</b> Failure to adhere to relevant legislation and guidance.	12	HIGH	↔	6	MEDIUM	↔
<b>Risk Gov3</b> An effective performance management framework is not in place.	9	HIGH	↔	6	MEDIUM	↔
<b>Risk Gov1</b> Pension Fund governance arrangements are not effective	9	HIGH	↔	6	MEDIUM	↔

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

<b>Governance</b>				
<b>Risk description: Gov1 - Pension Fund governance arrangements are not effective</b>				
	<b>Likelihood:</b>	<b>Impact:</b>	<b>Risk Rating:</b>	
<b>Inherent Risk:</b>	3	3	<b>9</b>	<b>HIGH</b> ↔
<b>Current Risk:</b>	2	3	<b>6</b>	<b>MEDIUM</b> ↔
<b>Current Controls:</b>	<ul style="list-style-type: none"> <li>• The Council's constitution clearly delegates the functions of administering authority of the pension fund to the Nottinghamshire Pension Fund Committee.</li> <li>• Under the LGPS Regulations the Administering Authority has established a Pension Board</li> <li>• The terms of reference of the Nottinghamshire Pension Fund Committee are agreed.</li> <li>• The terms of reference of the Nottinghamshire Pension Board are agreed.</li> <li>• 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.</li> <li>• 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.</li> <li>• Nottinghamshire Pension Board Members are also required to undertake training</li> <li>• Officers of the Council attend meetings of the Nottinghamshire Pension Fund Committee and the Nottinghamshire Pension Board.</li> <li>• 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.</li> <li>• The Administering Authority has a formal contract for an independent adviser to give advice on LGPS regulations to the Nottinghamshire Pension Board</li> </ul>			
<b>Action Required:</b>	<ul style="list-style-type: none"> <li>• Continue to monitor via existing processes.</li> <li>• Confirmation of Pension Board meetings</li> <li>• Pension Board Vacancies to be filled</li> </ul>			
<b>Responsibility:</b>	Group Manager (Financial Services) Group Manager (BSC) Group Manager (Legal Services) Pension Manager Senior Accountant - Pensions & TM		<b>Timescale:</b>	On-going

<b>Governance</b>			
<b>Risk description: Gov2 - Pension Fund objectives are not defined and agreed</b>			
	<b>Likelihood:</b>	<b>Impact:</b>	<b>Risk Rating:</b>
<b>Inherent Risk:</b>	3	3	9 <b>HIGH</b> ↔
<b>Current Risk:</b>	2	3	6 <b>MEDIUM</b> ↔
<b>Current Controls:</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>		
<b>Action Required:</b>	<ul style="list-style-type: none"> <li>• Continue to monitor via existing processes.</li> </ul>		
<b>Responsibility:</b>	Nottinghamshire Pension Fund Committee; Group Manager (Financial Services)	<b>Timescale:</b>	On-going

<b>Governance</b>			
<b>Risk description: Gov3 - An effective performance management framework is not in place.</b>			
	<b>Likelihood:</b>	<b>Impact:</b>	<b>Risk Rating:</b>
<b>Inherent Risk:</b>	3	3	9 <b>HIGH</b> ↔
<b>Current Risk:</b>	2	3	6 <b>MEDIUM</b> ↔
<b>Current Controls:</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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</li> <li>• 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.</li> <li>• Performance of the administration function is managed through an Administration Strategy</li> </ul>		
	<ul style="list-style-type: none"> <li>• Performance of the Administration function is managed through a set of performance indicators and reported to Pension Committee and Pension Board</li> </ul>		
<b>Action Required:</b>	<ul style="list-style-type: none"> <li>• Continue to review the performance monitoring framework for Fund Administration.</li> </ul>		
<b>Responsibility:</b>	Nottinghamshire Pension Fund Committee Group Manager (Financial Services); Group Manager (BSC) Pension Admin Manager Senior Accountant - Pensions & TM	<b>Timescale:</b>	On-going

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

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

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

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

<b>Investments</b>				
<b>Risk description: Inv2 - Fund cash is insufficient to meet its current obligations.</b>				
	<b>Likelihood:</b>	<b>Impact:</b>	<b>Risk Rating:</b>	
<b>Inherent Risk:</b>	3	3	9	<b>HIGH</b> ↔
<b>Current Risk:</b>	2	3	6	<b>MEDIUM</b> ↔
<b>Current Controls</b>	<ul style="list-style-type: none"> <li>• Fund cash flow is monitored daily and a summary fund account is reported to the Nottinghamshire Pension Fund Committee each quarter</li> </ul>			

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

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

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

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

<b>Investments</b>				
<b>Risk description: Inv5 - Inadequate controls to safeguard pension fund assets.</b>				
<b>Inv5a - Investment managers</b>				
	<b>Likelihood:</b>	<b>Impact:</b>	<b>Risk Rating:</b>	
<b>Inherent Risk:</b>	3	3	9	<b>HIGH</b> ↔
<b>Current Risk:</b>	2	3	6	<b>MEDIUM</b> ↔
<b>Current Controls:</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Investment objectives are set, and portfolios must be managed in accordance with these</li> <li>AAF 01/06 (or equivalent) reports on internal controls of service organisations are reviewed for main managers.</li> <li>Internal decisions have a robust framework in place which is tested by internal audit</li> <li>Fund Managers maintain an appropriate risk management framework to minimise the level of risk to Pension Fund assets.</li> </ul>			
<b>Action Required:</b>	<ul style="list-style-type: none"> <li>Continue to monitor via existing processes.</li> </ul>			
<b>Responsibility:</b>	Group Manager (Financial Services); Senior Accountant - Pensions & TM	<b>Timescale:</b>	On-going	
<b>Inv5b - Custody arrangements</b>				
	<b>Likelihood:</b>	<b>Impact:</b>	<b>Risk Rating:</b>	
<b>Inherent Risk:</b>	3	4	12	<b>VERY HIGH</b> ↔
<b>Current Risk:</b>	2	3	6	<b>MEDIUM</b> ↔
<b>Current Controls:</b>	<ul style="list-style-type: none"> <li>Complete and authorised agreements are in place with the external custodian.</li> <li>AAF 01/06 (or equivalent) report on internal controls is reviewed for external custodian.</li> <li>Regular reconciliations carried out to check external custodian records.</li> </ul>			

	<ul style="list-style-type: none"> <li>Where assets are custodied in-house, physical stock certificates are held in a secure cabinet to which access is limited.</li> </ul>		
<b>Action Required:</b>	<ul style="list-style-type: none"> <li>Continue to monitor via existing processes.</li> </ul>		
<b>Responsibility:</b>	Group Manager (Financial Services); Senior Accountant - Pensions & TM	<b>Timescale:</b>	On-going
<b>Inv5c - Accounting arrangements</b>			
	<b>Likelihood:</b>	<b>Impact:</b>	<b>Risk Rating:</b>
<b>Inherent Risk:</b>	3	2	6 <b>MEDIUM</b> ↔
<b>Current Risk:</b>	2	2	4 <b>LOW</b> ↔
<b>Current Controls:</b>	<ul style="list-style-type: none"> <li>Pension Fund accounting arrangements conform to the Local Authority Accounting Code, relevant IFRS/IAS and the Pensions' SORP.</li> <li>The Pension Fund subscribes to the CIPFA Pensions Network and Technical Information Service and officers attend courses as appropriate.</li> <li>Regular reconciliations are carried out between in-house records and those maintained by the external custodian and investment managers.</li> <li>Internal Audits are carried out regularly.</li> <li>External Audit review the Pension Fund's accounts annually.</li> </ul>		
<b>Action Required:</b>	<ul style="list-style-type: none"> <li>Continue to monitor via existing processes.</li> </ul>		
<b>Responsibility:</b>	Group Manager (Financial Services); Senior Accountant - Pensions & TM	<b>Timescale:</b>	On-going
<b>Inv5d - Financial Administration</b>			
	<b>Likelihood:</b>	<b>Impact:</b>	<b>Risk Rating:</b>
<b>Inherent Risk:</b>	3	3	9 <b>HIGH</b> ↔
<b>Current Risk:</b>	2	3	6 <b>MEDIUM</b> ↔
<b>Current Controls:</b>	<ul style="list-style-type: none"> <li>The Pension Fund adheres to the County Council's financial regulations with appropriate separation of duties and authorisation limits for transactions.</li> <li>Daily cash settlements are made with the external custodian to maximise returns on cash.</li> <li>Investment transactions are properly authorised, executed and monitored.</li> <li>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.</li> <li>The Pension Fund maintains a bank account which is operated within regulatory guidelines.</li> </ul>		
<b>Action Required:</b>	<ul style="list-style-type: none"> <li>Continue to monitor via existing processes.</li> </ul>		
<b>Responsibility:</b>	Group Manager (Financial Services); Senior Accountant - Pensions & TM	<b>Timescale:</b>	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"> <li>The Pension Fund aims to be a long term responsible investor.</li> <li>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</li> <li>The Fund has a Climate Stewardship Plan which is implemented and reported on with the support of LGPS Central</li> <li>The Fund is a member of Local Authority Pension Fund Forum (LAPFF) and supports their work on shareholder engagement.</li> <li>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.</li> </ul>				
Action Required:	<ul style="list-style-type: none"> <li>Continue to monitor via existing processes.</li> </ul>				
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"> <li>We are shareholders in LGPS Central and have significant influence on them through involvement in Shareholders Forum, Joint Committee and PAF</li> <li>Costs and performance will be monitored</li> </ul>				
Action Required:	<ul style="list-style-type: none"> <li>Continue to attend meetings relevant meetings</li> <li>Continue to monitor via existing processes.</li> </ul>				
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:	<ul style="list-style-type: none"> <li>The financial impact of climate change on the fund can be mitigated. Businesses and individuals will have to change their behaviour and</li> </ul>				

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

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

	<ul style="list-style-type: none"> <li>• Employer annual returns are reviewed and monitored. Breaches are reported to committee.</li> </ul>
	<ul style="list-style-type: none"> <li>• McCloud Project initiated to collect and check scheme data to enable re calculation of benefits.</li> </ul>
	<ul style="list-style-type: none"> <li>• Project to implement monthly return data collection from scheme employers.</li> </ul>
<b>Action Required:</b>	<ul style="list-style-type: none"> <li>• Continue to monitor via existing processes.</li> <li>• Improve monitoring of returns from major fund employers</li> <li>• Implementation of Data Improvement plan</li> <li>• Progress GMP rectification</li> <li>• Progress Mc Cloud project</li> </ul>
<b>Responsibility:</b>	Group Manager (BSC) Pension Manager
<b>Timescale:</b>	On-going

<b>Administration</b>				
<b>Risk description: Adm2 - Inadequate controls to safeguard pension fund records.</b>				
	<b>Likelihood:</b>	<b>Impact:</b>	<b>Risk Rating:</b>	
<b>Inherent Risk:</b>	3	5	15	<b>VERY HIGH</b> ↔
<b>Current Risk:</b>	2	3	6	<b>MEDIUM</b> ↔
<b>Current Controls:</b>	<ul style="list-style-type: none"> <li>• ICT Disaster Recovery Plan and Security Plan are agreed and in place</li> <li>• 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.</li> <li>• New back up arrangements are in place</li> <li>• Software is regularly updated to meet LGPS requirements.</li> <li>• Audit trails and reconciliations are in place.</li> <li>• GDPR awareness training and documentation is in place</li> <li>• Pension Administration Documentation is maintained in line with agreed policies.</li> <li>• Physical records are held securely in the Pension Office.</li> <li>• Pensions and other related administration staff undertake data management training as required.</li> </ul>			
<b>Action Required:</b>	<ul style="list-style-type: none"> <li>• Continue to monitor via existing processes.</li> </ul>			

	<ul style="list-style-type: none"> <li>Undertaking a review of controls and Safeguards separate report to Pension Board and Committee once review has been completed.</li> </ul>		
<b>Responsibility:</b>	Group Manager (BSC) Pension Manager	<b>Timescale:</b>	On-going

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

<b>Administration</b>				
<b>Risk description: Adm4 Scheme employers may fail to administer the scheme efficiently, leading to disruption to the discharge of administering authority functions (employer risk)</b>				
<b>Potential data quality issues.</b>				
	<b>Likelihood:</b>	<b>Impact:</b>	<b>Risk Rating:</b>	
<b>Inherent Risk:</b>	3	5	<b>15</b>	<b>VERY HIGH</b> ↔
<b>Current Risk:</b>	2	3	<b>6</b>	<b>MEDIUM</b> ↔

<b>Current Controls:</b>	• Clear communication of requirements to scheme employers.		
	• Employer data is being reviewed as part of the data improvement plan.		
	• Planned roll out of the employer portal to improve the transfer of data to the Pension Fund.		
	• Actuary makes prudent assumptions at valuation.		
<b>Action Required:</b>	<ul style="list-style-type: none"> <li>• Continue to monitor via existing processes.</li> <li>• Monitor using the Breaches Policy</li> </ul>		
<b>Responsibility:</b>	Group Manager (BSC) Pension Manager	<b>Timescale:</b>	On-going

<b>Administration</b>				
<b>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.</b>				
	<b>Likelihood:</b>	<b>Impact:</b>	<b>Risk Rating:</b>	
<b>Inherent Risk:</b>	3	5	15	<b>VERY HIGH</b> ↔
<b>Current Risk:</b>	2	3	6	<b>MEDIUM</b> ↔
<b>Current Controls:</b>	• Information Governance oversee policies and procedures			
	• Data breach procedure in place			
	• Assurance obtained from third party providers and contractors on compliance with relevant legislation.			
	• Identified Data Protection Officer			
	• Appropriate access levels in the Pension Administration system.			
<b>Action Required:</b>	<ul style="list-style-type: none"> <li>• Continue to monitor via existing processes.</li> <li>• Undertaking a review of controls and Safeguards separate report to Pension Board and Committee once review has been completed.</li> </ul>			
<b>Responsibility:</b>	Group Manager (BSC) Pension Manager	<b>Timescale:</b>	On-going	

15 June 2023

Agenda Item: 8

## **REPORT OF THE SERVICE DIRECTOR, CUSTOMERS, GOVERNANCE AND EMPLOYEES**

### **PENSION BOARD WORK PROGRAMME**

#### **Purpose of the Report**

1. To consider the Pension Board's work programme.

#### **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 incorporates those 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.

#### **Other Options Considered**

5. None.

#### **Reason for Recommendation**

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

#### **Statutory and Policy Implications**

7. This report has been compiled after consideration of implications in respect of crime and disorder, 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 (KK - Standing)**

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

### **Financial Comments (RK - Standing)**

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

### **Background Papers**

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 2023-24**

<b>REPORT TITLE</b>	<b>BRIEF SUMMARY OF AGENDA ITEM</b>	<b>LEAD OFFICER</b>	<b>REPORT AUTHOR</b>
<b>SUMMER 2023</b>			
LGPS Update on the Progress of the Impact of the McCloud Judgement on the Administration of the LGPS	Periodic Update	Jonathan Clewes	Jonathan Clewes
Funding Strategy Statement	Funding Strategy	Keith Palframan	
LGPS Update Report	Regular Update on national LGPS issues		The Advisor to the Pension Board
Actuary Valuation Update	Update on the final Valuation Position, Actuary to attend the Meeting	Keith Palframan	
Risk Register	Regular Review	Jon Clewes/ Tamsin Rabbits	
Pension Board Training Programme	Annual Report		The Advisor to the Pension Board
<b>AUTUMN 2023</b>			
McCloud Update	The remedy was published 30 May 2023 for consultation the Fund will be considering the proposals and the impact on the McCloud project	Jon Clewes	Jon Clewes
The Pensions Regulator Single Modular Code	Report on new national pensions governance and administration Code of Practice (Depends on Progress by the Regulator expected Summer 2023)	Jonathan Clewes	Jonathan Clewes
GMP Update	Impact of GMP on the Fund	Jon Clewes	Jon Clewes
LGPS Pensions Administration Performance Report	Annual Performance Report	Jon Clewes	Jon Clewes
LGPS Transforming Pension Administration Update Report	Periodic Update	Sarah Stevenson	Sarah Stevenson
Breaches Log Review and Update	Log of any recorded Breaches of Regulations	Jon Clewes	Jon Clewes
Update on LGPS Central Pool	Update on the LGPS Investment Pooling	Keith Palframan	

REPORT TITLE	BRIEF SUMMARY OF AGENDA ITEM	LEAD OFFICER	REPORT AUTHOR
	agenda in the specific context of the Nottinghamshire Fund		
<b>To Be Placed</b>			
Good Governance in the LGPS project – Implications for the Nottinghamshire Pension Fund	Report on the implications of the national Scheme Advisory Board/DLUHC project on LGPS governance in the context of the Nottinghamshire Pension Fund	Jon Clewes	Jon Clewes
Cyber Security	Report on the Cyber Security of the Pension Fund – to be incorporated as part of the Fund moving to the hosted solution.	Jon Clewes	Jon Clewes
Breaches Log Review and Update	Log of any recorded Breaches of Regulations		