

## Minutes of the Norfolk Pension Fund Pensions Oversight Board meeting held via Teams on Tuesday 27 February 2024

### Present:

#### Independent Chair

Brian Wigg

#### Employer Representatives

Sally Albrow

Norfolk County Council

Cllr Liz Marsham

Levying/precepting employers

#### Scheme Member Representatives

Frances Crum

Active / Deferred member

Peter Baker

Pensioner member

#### Also Present

Jo Quarterman

Head of Governance, Norfolk Pension Fund

Glenn Cossey

Director of the Norfolk Pension Fund

Eunice Walcott

Governance Manager

Elaine Otway

Business Support Officer

### 1. **Welcome and Introduction**

- 1.1 The Chair welcomed Pensions Oversight Board (POB) members to this virtual meeting of the Pensions Oversight Board.

### 2 **Apologies for Absence**

- 2.1 There were no apologies for absence.

### 3. **Minutes and matters arising**

- 3.1 POB agreed the minutes of the meeting on the 5 September and the informal notes of the meeting held on the 7 November 2023.

### 4. **Declarations of Interest**

- 4.1 There were no declarations of interest.

### 5 **Board Membership Update**

- 5.1 The Board confirmed ratification of Pensions Committee's appointment of Brian Wigg for a second 4-year term as Independent Chair of POB
- 5.2 Following advertising via Prime Time, Peter Baker has been confirmed as the Retired Member representative on the Board for a second 4-year term.
- 5.3 The POB noted there are still two outstanding vacancies on the Board. Officers continue to engage with Employers to fill the non-precepting vacancy, including via the newsletter at the beginning of March. We continue to work with Unison to support them in advertising and filling the trade union seat also.

5.4 In answer to a question about risk associated with vacancies, GC explained that this situation is not unique to Norfolk – it is a voluntary role with a time commitment so can be hard to fill. However, as long as the Board is quorate it can meet its responsibilities. Any suggestions from board members for promotion will be welcome.

## 6 **Items of Urgent Business**

6.1 There were no items of urgent business.

## 7 **Pensions Committee**

7.1 The POB noted that today's meeting would be the subject of a report to the Pensions Committee on 12 March 2024. POB Chair attends to update the Committee.

7.2 GC updated POB on the Pensions Committee agenda items discussed on 5 December 2023, which included:

- a presentation from a benchmarking organisation called Clearglass - ACCESS appointed them to check investment management fees for the pool and the results were presented to Committee.
- a presentation from the Fund Actuary
- the outlook planning for the next valuation commencing 31 March 2025, with a focus on data gathering, and valuations of the liabilities and assets.
- a scoping paper for the review of protection assets from J P Morgan.

7.3 Councilor Brian Watkins has rejoined Pensions Committee as a Liberal Democrat member.

7.4 Ben Farmer, Hymans Robertson, has replaced David Walker as the Investment Consultant to Pensions Committee.

7.5 GC ran through the planned agenda for 12 March Pensions Committee meeting. In addition to the regular items this included:

- NPF's budget and the Board's budget,
- the final step in the review of protection assets
- an investment manager presentation from Insight who operate secured finance mandate for the Fund and a dynamic hedging program for all our overseas assets.

## 8 **LGPS Reform**

8.1 The Board received updates on the latest LGPS reforms, including:

- 8.3
- TPR governance survey results - circulated with papers.
  - TPR General Code – covered later on the agenda.
  - Pooling and levelling up: what next?
  - SAB surplus statement
  - Climate reporting (TCFD: guidance for reporting; TNFD...?)
  - Updated annual report guidance – imminent?
  - Good Governance: consultation – later in the year?
  - McCloud: in progress
  - Pensions Dashboard

- 8.4 In response to a question about what the implications may be for an LGPS Fund if its Administering Authority gets into financial difficulties (e.g. issues a S114 notice), GC explained that the assets of the Pension Fund are ringfenced from the Administering Authority. There have been examples of this happening already (Northamptonshire), as a result the Administering Authority responsibilities were transferred to West Northamptonshire.
- 8.5 GC also reminded POB that the Fund is currently looking at the Pensions Services structure and resilience.

## 9 **Norfolk Pension Fund Operational Update**

### 9.1 Operational performance

- 9.2 POB received the latest Key Performance Indicators. The data shows a small dip in transfer in and out calculations, where activity had been suspended awaiting updated guidance.

### 9.3 ACCESS update

The ACCESS Joint Committee last met on 4 December. Cllr Judy Oliver (Chair of the Norfolk Pensions Committee) represents the Norfolk Pension Fund at the joint Committee. The items discussed included:

- finalisation of the sale of Link to Waystone, approved by the FCA. This means that the Operator agreement is anticipated to run to the end of its term.
- procurement will commence from April 2025 to secure a new operator.
- the pooling consultation and ACCESS response

- 9.4 Papers for the Joint Committee meeting on 4 March (public and private) were circulated to POB members and Pensions Committee. It was noted:

- there is a workshop in the morning for Joint Committee
- alternative assets (illiquid) are progressing.
- Norfolk POB will be observing the meeting (Brian Wigg and Peter Baker).

## 10 **Operational Review: Service Planning**

- 10.1 JQ updated the meeting on progress with the new service planning process, following the confirmation of the Fund's Mission and strategic objectives by Pensions Committee during June last year. All teams had been invited to contribute to the development of the Plan.
- 10.2 The final sign off by Committee will be at the Committee meeting in March alongside the budget.
- 10.3 The new mission and strategic objectives were discussed and the way the Fund is bringing these to life. There is a clear golden thread from the strategic objectives through the service plan, which also identifies resources and success criteria.
- 10.4 The summary of projects, timescales and resource from the draft Service Plan were included in the slides.
- 10.5 The Service Plan will be used to support both individual and team development plans.
- 10.6 In answer to questions, GC confirmed that we take part in the annual CIPFA benchmarking exercise, with results reported to POB and Pensions Committee. We are consistently performing well with below average cost per member; and that there is no proposal for savings from the pensions team costs; and the budget proposed is aligned with the Service Plan.

10.6 GC commended the team on all the work carried out to pull the service plan together and on behalf of POB, the Chair endorsed GC's comments and extended thanks.

## 11 **Operational Review: The Pensions Regulators General Code**

11.1 Eunice Walcott, the Norfolk Pension Fund's Governance Manager, joined the meeting to give an overview of The Pensions Regulators new General Code, which has been laid in Parliament and is expected to come into force at the end of March.

11.2 EW explained the intention of the new combined Code and explained how it is structured into 5 key areas, containing 51 modules.

The 5 key areas are:

- The Governing Body
- Funding and Investment
- Administration
- Communication and disclosure
- Reporting to TPR

11.3 Within this there are modules that apply to the LGPS due to regulations, some that are considered good practice and some which don't apply.

11.4 We have reviewed our policies and procedures against the draft Code and will now review compliance against the published Code. We have purchased a Compliance Checker tool to assist with this exercise.

11.5 Our next steps will include:

- assessing and recording compliance and establishing any 'gaps' in compliance
- developing an action plan with timescales and priorities.
- ongoing monitoring and review to ensure we maintain good governance.

11.6 POB thanked EW for the presentation.

## 12 **Budget**

12.1 JQ presented the proposed budget for POB for 2024/25.

12.2 The proposed budget included a small overall increase of £1000. It was noted that Democratic Services are no longer able to support POB meetings so provision for these costs has been removed. Provision is maintained in Recruitment and Establishment in case we need to undertake mailings in support of Board membership, although wherever possible we would incorporate this within an existing mailing. The training budget has been increased in line with Pensions Committee's training budget.

12.3 In response to questions JQ confirmed that we do not have final costs for 2023/24. Trustee training costs are usually split between Committee and POB where appropriate (for example for the November Trustee Training days). Costs also relate to advisors presenting to POB meetings (e.g. the Fund Actuary).

## 13 **Risk Management**

13.1 JQ presented the latest risk heat map as reported to Pensions Committee in December 2023. This identified that four risks had reduced. Cyber and Data security remains as the highest risk area identified. Risks are reviewed regularly as a management team. The new TPR General Code now covers cyber and scams.

13.2 In response to a question, JQ explained that this risk covered all aspects of cyber and data risks. The Norfolk Pension Fund are signatories to the TPR cyber pledge. All Fund publications to scheme member and employers include information about cyber risks and scams. All officers must complete regular mandatory training. We have established processes with providers, starting from procurement and including annual updates from third party service providers to ensure they are keeping up-to-date, and to help reduce risks to service delivery and data. Cyber and Data Security was an agenda item at the Trustee training days last November, and included presentations from Eunice Walcott, a Business Systems Architect from NCC digital services and a cyber and data security lead from a 3rd party service provider.

13.3 POB discussed Cyber security relating to AI and the challenges and risks and required controls.

#### 14 **Internal audit reports**

14.1 POB noted the latest internal audit report, relating to Contributions and transfers in, and the 'acceptable' audit opinion.

#### 15 **Knowledge, Skills, and Training**

15.1 POB was reminded to:

- notify Elaine of any training completed.
- note the dates for 2-day training 7 and 8 November 2024
- make use of the LGPS Online Learning Academy (LOLA) which has new resources added regularly (contact Elaine if you have difficulty accessing) note webinars and conferences circulated by Elaine.
- consider the TPR toolkit as a useful resource (although not recently updated)
- consider attending the 'Fundamentals' training for new members.
- note the CIPFA Local Pension Board conference on 15 May in London

#### 16 **Forward Work Programme for the Pensions Oversight Board**

16.1 The forward work Programme for the next 12 months was discussed. POB are invited to advise JQ of any other areas for consideration.

#### 17 **Future Meeting dates**

17.1 The next meeting date is 14 May 2024 (this meeting will be virtual).

17.2 Further meeting dates were confirmed, noting the in-person date on 5 November is the same week as the 2-day training.

**The meeting closed at 12.30**