



## **Minutes of the Norfolk Pension Fund Pensions Oversight Board meeting held on Thursday 11 November 2021.**

### **Present:**

#### **Chairman**

Brian Wigg

#### **Employer Representatives**

Howard Nelson

DNEAT

#### **Scheme Member Representatives**

John Harries

Active / Deferred member

#### **Also Present**

Jo Quarterman

Business Development and Project Manager, Norfolk Pension Fund

Glenn Cossey

Director of the Norfolk Pension Fund

Mark Alexander

Pensions Manager

Eunice Walcott

Senior lawyer NPLAW on secondment to the Norfolk Pension Fund

Tim Shaw

Committee Clerk

### **1. Welcome and Introduction and Apologies for Absence**

**1.1** The Chairman welcomed Eunice Walcott (Senior Lawyer NPLAW on secondment to the Norfolk Pension Fund as Pensions Governance Manger) to her first meeting of the Pensions Oversight Board. This was a virtual meeting, held via 'Teams'.

**1.2** Apologies for absence were received from Peter Baker, Debbie Beck, Rachel Farmer and Cllr Chris Walker.

### **2 Retirement of Board Members—John Harries and Debbie Beck**

**2.1** The Chairman said that this was the last meeting of the Board that John Harries would be attending as the active/deferred member representative. Debbie Beck an employer representative (who had

given apologies for this meeting) would also be retiring from the Board before the next meeting.

- 2.2 Everyone associated with the Board extended their best wishes for the future to John Harries and to Debbie Beck. They were Members of the Board since its inception and had made valuable contributions for many years.
- 2.3 The Board was updated on the current terms of office for remaining members and the arrangements for the filling of vacancies in time for when the Board next met in February 2021.

### **3. Minutes**

- 3.1 The POB agreed the minutes of the meeting held on the 27 May and the notes of the meeting of the 9 September 2021.

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

- 4.1 There were no declarations of interest.

### **5 Items of Urgent Business**

- 5.1 There were no items of urgent business.

### **6 Feedback from the Pensions Committee meeting on 5 October 2021 and items to be raised at the 7 December 2021 meeting.**

- 6.1 The POB noted that today's meeting would be the subject of a report to the Pensions Committee on 7 December 2021.
- 6.2 The Board was informed that Cllr Birmingham had been appointed as a new member of the Pensions Committee following changes in the overall political allocation of seats within the County Council
- 6.3 The Pensions Committee on 5 October 2021 had received a report (containing exempt information) on the outcome of the procurement process by which Norfolk Pension Fund would procure Actuarial, Benefit and Governance Consultancy Services when the current contract for Actuarial Services ended in December 2021. The Committee had received a presentation by Robert Bilton of Hymans Robertson about how Hymans Robertson (who had been awarded the contract for a 10-year term) planned to work with the Norfolk Pension Fund to provide a best-in-class service to Norfolk Pension Fund stakeholders.
- 6.4 The Pensions Committee on 5 October 2021 had also received a report (containing exempt information) that presented the recommendations arising from the review of the public equity portfolio (quoted shares) by Hymans Robertson.

**6.5** The December meeting of the Pensions Committee would receive an update from Rob Bilton of Hymans about the triannual valuation of the fund which was due to commence in April 2022. Rob Bilton would be presenting a report on this matter to the February 2022 meeting of the Board.

## **7 LGPS Reform**

**7.1** POB received an update about the ongoing national reform programme and other issues within the LGPS.

**7.2** The presentation provided an update on the following regulatory reforms update and impact:

- £95k payment cap and reform (withdrawn but will return)
- McCloud remedy
- Responsible Investment
- Climate risk and monitoring signed up; reporting on going to Committee (TCFD reporting, impact reporting on the horizon)
- RI – MHCLG consultation due; A-Z online guide launched
- Good Governance recommendations, statutory guidance expected
- TPR revised code not to go live till next year because of level of responses.
- Pensions Dashboard and Stewardship Code for which good practice, refreshed; not mandatory and aimed more at investment industry.

## **8. Service delivery and future ways of working post pandemic: consideration of options and opportunities for a new service delivery model**

**8.1** The POB received a presentation led by Glenn Cossey on how the Norfolk Pension Fund planned to develop a refreshed approach for the delivery of services to stakeholders post pandemic, utilising the opportunities offered by smarter working and making more use of new technology. A report on this matter had been considered at the Pensions Committee in October 2021. The refreshed approach would take account of the views of all stakeholders including scheme members, scheme employers and staff.

**8.2** The refreshed approach would:

- Explore ideas on how to work and deliver services post pandemic (including gathering new evidence and making use of evidence gathered pre-pandemic)
- This work will inform both 'smarter working' arrangements and

accommodation requirements

- Retain the best of the pre-pandemic and current work experiences while identifying opportunities for doing different in the future
- It was noted current Lawrence House lease ends in February 2023

**8.3** The options and opportunities for a new service delivery model would involve data gathering and the evaluation of evidence from:

- Customers
- Norfolk Pension Fund
- Teams (including views expressed by staff about their expectations on wellbeing, opportunities for career development and training, working conditions etc). A staff workshop has shown that expectations had changed during the pandemic.
- Individuals (recognising that some individuals had their own unique requirements)
- [Customer Care and Communications Strategy](#)
- [TPR Code of Practice 14 for Public Service Schemes](#)
- Norfolk County Council Customer Charter

**8.4** The next steps were identified as:

- Data gathering
- Consider evidence
- Identify and evaluate options
- Present findings and recommendations for future service delivery back to Committee in March 2022

**8.5** POB Members considered the new website and member self service a great facility for scheme members (at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)) which was becoming more and more an essential element of service delivery and of future ways of working post pandemic. It was suggested that as well as through Norfolk Pension Fund sources of communication more promotional activity could be done via Norfolk County Council and other employer websites. It was also suggested that the Pension Fund could encourage employers to promote website and the Norfolk Pension Fund, particularly to inform under 30's within the workforce of the benefits of scheme membership. Going forward, the Norfolk Pension Fund would be able to make use of new analytical data about age profile, diversity and disability within the membership that would enable the website to be more focused and effective in getting its messages across to the active workforce.

**8.6** Scheme Members and Employers can access i-connect and other resources via the new website. which they were finding to be very useful, although some large employers were finding that a consolidation of the administrative processes within the website for the collection of data would be an important issue going forward. On a

day-to-day basis both large and small employers were finding that they had good working relationships with Pension Fund staff regarding data gathering.

- 8.7** The website was an increasingly important source of resources, information and signposting for scheme members and employers and other stakeholders. It was of particular assistance to those scheme members who wanted to see a rough estimate of the value of pension benefits before hearing from employers with more accurate figures about early retirement or redundancy packages. The Board considered more needed to be done to publicise the website to a greater audience so that scheme members were more aware of the value of their retirement benefits. It was however recognised that there were resourcing issues because an increase in self-help activity during the pandemic had led to a significant increase in enquires made of the administration team.
- 8.8** It was hoped that a draft evaluation of options and recommendations could be taken to POB in February 2022, in advance of a report to Pensions Committee in March 2022.

## **9 Internal Audit reports**

- 9.1** POB was informed that the latest published internal audit report by Norfolk Audit Services (circulated with the agenda) covered Governance Controls and Decision Making during the Pandemic
- 9.2** POB noted the report.

## **10 Norfolk Pension Fund operational update (including ACCESS)**

- 10.1** POB received an update on operational performance and issues, including latest performance data.
- 10.2** The operational update included:
- ACCESS Alternative Investment Implementation Advisor procurement
- Solution for alternative/illiquid assets
  - Phase one - legal structure was complete
  - Phase two – procurement of implementation advisor
- 10.3** During discussion the following points were noted
- POB was shown the latest Pension Fund performance data and detailed questions were answered.
  - It was pointed out that the administration team did not have up to date data on the numbers of opt outs by younger members of staff.
  - Employees were automatically enrolled into the scheme by their employer every three years unless they

indicated otherwise.

- John Harries said that he would ask HR if they could provide the Norfolk Pension Fund with statistical data for Norfolk County Council to help with an assessment of those who did not enrol in the scheme.

## **11 Strategic Review update**

**11.1** POB received an update on the implementation of the new Pensions Administration system and rollout to Employers and Scheme Members.

**11.2** The presentation provided an update on the following strategic review workstreams:

- Employer Services: work was progressing on establishing a new Employer Services Team
- I-Connect and Member Self Service
- Administration. It was noted that changes within the Administration Team would be considered alongside consultation alongside changes to Employer Services.
- Governance. NP Law had started work on the legislative/regulatory background of LGPS Governance and a member of NP Law had been seconded to help with this work on a temporary basis. Noted that a revised structure for the Frameworks and Governance Teams had been agreed with HR, and a two-week staff consultation exercise was about to commence. A new structure was due to go live on 1<sup>st</sup> January 2022.
- People, Development and Career Paths
- Management Team Structure. This was due to go live on 1<sup>st</sup> January 2022 (dependant on governance)
- Strategic Engagement and Delivery

## **12 Risk Management**

**12.1** POB received the latest risk update and heat map that showed high risk movement in terms of governance, funding and investment and benefits administration. The heat map picked up on issues of regulatory and performance requirements failure that represented an increased risk and were talked about during this meeting.

**12.2** The risk register was continually updated and reported regularly to POB and Pensions Committee. Some downward movement in high-risk areas was anticipated when the heat map was next reported to Pensions Committee in December 2021.

**12.3** At the request of POB, a new risk about smarter working and new ways of working would be considered, to show that the Norfolk Pension Fund was engaging successfully with scheme members and

employers. This matter would be monitored but was not expected to be a high risk. It was pointed out in response to questions that risks were shared with others through the work of internal auditors and more widely as part of risk management debates and exploring of other risk management frameworks which were constantly monitored.

**13 Knowledge, Skills and Training, including:**

- **ESG workshop (15 September 2021 – recordings available)**
- **Online learning academy**

**13.1** POB were updated on Knowledge, Skills and Training, including:

- ESG workshop well received by POB members
- Online Learning Academy
- Webinars
- Conferences
- Newsletters. The latest issue would be shared with POB Members
- Plans for induction of new POB Members

**14 Forward Work Programme for the Pensions Oversight Board**

**14.1** It was noted the work programme for 2021 had included:

- Pensions Admin Software - implications for scheme members and employers
- New Employer Services team
- Cybersecurity
- Smarter Working

**14.2** The work programme for 2022 would include:

- Continuation of the above
- Website demo
- Valuation planning overview—inviting Bob Bilton to attend the Board
- Overview of budget setting process

**14.3** The Chair pointed out that there would be an opportunity to review the forward work programme when new members were appointed in tie for the next meeting.

**15 Date of next meeting**

**15.1** The date of the next meeting was now

**Weds 9th February 2022**

***(Please note: change of date and day)***

**Chair**