



Minutes of the Norfolk Pension Fund Pensions Oversight Board meeting held on Thursday 27 May 2021.

Present:

Chairman

Brian Wigg

Employer Representatives

Cllr Chris Walker
Howard Nelson

Poringland Parish Council
DNEAT

Scheme Member Representatives

John Harries
Peter Baker

Active / Deferred member
Pensioner Member

Also Present

Jo Quarterman

Business Development and Project
Manager, Norfolk Pension Fund
Director of the Norfolk Pension Fund
Pensions Member Services Manager
Hymans
Committee Clerk

Glenn Cossey
Debra Keeling
Ian Colvin
Tim Shaw

1. Welcome and Introduction

- 1.1** The Chairman welcomed all those present to this “virtual” Teams meeting of the Pensions Oversight Board.

2 Apologies for Absence

- 2** Apologies for absence were received from Debbie Beck and Rachel Farmer.

3. Minutes

- 3.1** The POB agreed the minutes of the meeting held on 4 February 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 virtual Pensions Committee meeting on 2 March 2021 and items to be raised at the 6 July 2021 meeting.

6.1 The POB noted that today's meeting would be the subject of a report to the Pensions Committee on 6 July 2021.

6.2 The Board asked for details regarding the appointments that the County Council had made to the Pensions Committee which were as follows:

Conservative (4)

Cllr Judy Oliver (Ch)

Cllr Will Richmond

Cllr Robert Savage

Cllr Martin Storey

Liberal Democrat (1)

Cllr Dan Roper

The other members remain as follows:

Co-opted Members

Cllr John Fuller

Cllr Alan Waters - Vice-Chairman

Member Representative

Steve Aspin

7 Pensions Oversight Board Annual Report 2020 – 2021

7.1 The Annual Report of the Norfolk Pension Fund Pensions Oversight Board that covered the period from 1 April 2020 to 31 March 2021 was circulated with the agenda. The Board noted that the draft Annual Report when approved would be published with the Norfolk Pension Fund Annual Report and Accounts for 2021 – 2021.

8. Norfolk Pension Fund Operational Update (including ACCESS)

8.1 The POB received a presentation led by Glenn Cossey on Norfolk Pension Fund operational issues, including updates on ACCESS and the impact of coronavirus (Covid-19).

The operational update included:

- Staff wellbeing
 - It was noted that 82% of Norfolk Pension Fund staff had completed this year's corporate County Council staff survey. This compared with 80% of staff from Finance and Commercial Services as a whole and a response rate across the County Council of 55%. The results of the survey were expected to be available to senior management in mid-June 2021. The results would include responses to questions about smarter working arrangements during the covid-19 pandemic.
- Review of virtual meeting format
 - The Board was reminded of the virtual meeting protocols by which POB meetings continued to operate during the pandemic. The protocols were the subject of consultation with POB Members prior to this meeting.
 - It was noted that for health and safety reasons those Boards not covered by the 1972 Local Government Act that were administered by NCC staff were continuing to be held remotely by Microsoft Teams.
 - The Board **agreed** to hold their next meeting in September 2021 remotely, subject to a review of their meeting arrangements at that time with a view to exploring the possibility of holding one meeting each year in person.
- Investment and Accounts (including ACCESS update)
 - ACCESS were currently preparing for a new member induction and training session in advance of their next meeting on 25 June 2021.
 - Robert Mayes (Norfolk Pension Fund Accountant) is chairing the ACCESS officer working group on joint procurement aimed at providing a custody solution for ACCESS funds.
 - A new client manager had recently been appointed to the ACCESS Support Unit.
- Day to day admin operations, incl. latest performance data
 - Latest Pension Fund performance data was shown to POB members.
 - The admin team had yet to catch up on data regarding the acknowledgement of death and notification of dependents from March and April 2021 when there was considerable pressure from other priority work.
 - Details regarding average time taken to acknowledge the death of a member would be sent to POB members after this meeting.
- POB budget
 - The Pension Fund operational budget totalled £3.6 m. Included within this figure was the budget for the POB which in future would be shared with POB Members

before the February meeting of Pensions Committee, along with the forecast outturn for the current year.

- The POB budget was £54k; funding for the development and training of Board Members being the largest item within the POB budget.

9 Strategic Review Update

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

9.2 The presentation provided an update on the following:

- The senior management team had reassessed the strategic review priorities in view of the Covid-19 pandemic. Some of the work activities would now commence later in 2021/22.
- The recruitment of an Employer Member Services Manager was a key priority.
- The revised structure for the Frameworks and Governance Teams had been agreed by the senior management team. An implementation plan had been drawn up with HR. The business case included new job profiles, staff communication and consultation. The go live date for the new structure was expected to be 1 August 2021.
- NP Law had started work on the legislative/regulatory background of LGPS Governance to support the manual. Work had begun on updating policies and/or creating new policies. The contents would be reviewed considering the new single TPR code which would be implemented later this year.
- There was some delay in the implementation of the Member Services Module of the Pensions Administration software which had contributed to the amber RAG status for this project. The issues were being actively managed and were not expected to result in any threat to delivery. The project was expected to be ready for launch by early June 2021.

10 LGPS Reform

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

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

- £95k payment cap and reform- The Government had promised to undertake full consultation on this matter when the proposed reform of the cap resurfaced, probably later this year.
- McCloud –The Norfolk Pension Fund awaited sight of the final regulations that were expected to be implemented in April

2022. The software administration systems would be updated by the software providers to take account of McCloud re-calculations.

- Climate risk and monitoring-In March 2021 the Pensions Committee was presented with the findings of a pilot project undertaken with Hymans linked to responsible investment and carbon measurement. As a result of this work a mechanism was planned for the way in which the Norfolk Pension Fund reported and communicated work on monitoring climate risk and carbon exposure.
- RI objectives and beliefs- This issue was expected to resurface in the Autumn. In the meantime, the Scheme Advisory Board had launched an on-line A to Z guide to responsible investment and aimed to include helpful case studies on its website. Further details would be made available to POB Members following this meeting.
- Good Governance- The Scheme Advisory Board had accepted the findings of Hymans and passed the recommendations to the Government for statutory guidance expected to be issued later this year.
- The TPR revised code—the consultation with interested parties on the implications for the LGPS was expected to close shortly.
- Pensions Dashboard Programme - Work was progressing on this single source of pensions information. The dashboard was expected to be launched in 2023/24; voluntary data providers were due to be identified for next year.
- Stewardship Code –this was a voluntary UK code aimed at the investment industry.

11 Cyber Security

11.1 POB received a presentation by Ian Colvin of Hymans Robertson about cyber security and the considerable risks faced by Pension Fund Authorities.

11.2 The presentation identified the following specific risks:

- Ransomware demands-These occurred when cyber criminals blocked access to critical data and demanded payment to release it.
- Phishing-There was growing concern that pensions freedoms had made people over 55 a greater target for these scams.
- Malware--An individual might introduce this by inadvertently clicking on malicious email attachments or website links.

11.3 The presentation also identified:

- Those who were affected by cyber security
- Roles and responsibilities of the Administering

Authority/Members/Employers/Third-party suppliers/ Pensions Regulator

- TPR's cyber risk assessment
- TPR draft single code of practice
- The process/cyber footprint/ risks and control measures.

11.4 It was noted that Norfolk Pension Fund maintained a Risk Register and Business Continuity Plan which were regularly monitored and reviewed to take account of cyber security issues.

11.5 It was **agreed** that at the September 2021 meeting POB should be provided with the opportunity to review the arrangements that Norfolk Pension Fund had for dealing with issues that might arise from breaches in cyber security, including Norfolk Pension Fund data system recover planning.

11.6 POB placed on record thanks to Ian Colvin of Hymans for the presentation.

12 Risk Management

12.1 POB received the latest risk update and heat map that showed high risk movement between February 2020 and May 2021 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. The criteria for the definition of the risks was shared with Pensions Committee.

12.3 It was noted that insufficient skilled resource cut across all three areas of high risk managed by the Norfolk Pension Fund. This issue was being addressed as part of the Norfolk Pension Fund Strategic Review. Following recent recruitment success, a Senior Pensions Administration Officer post remains to be filled. The lack of skilled resources was an issue faced by the LGPS generally.

12.3 The onboarding of equity assets to the ACCESS pool was resulting in a reduction in high risk.

13 Internal Audit reports

13.1 POB was informed that the latest published internal audit report by Norfolk Audit Services (circulated with the agenda) covered transfers out of the Pension Fund. This report (with three low priority findings) covered the transition period in which the administration process had adopted to home working during the pandemic and moved away from the use of paper.

13.2 POB noted the report.

14 Knowledge, Skills and Training

14.1 POB received an update about plans for Knowledge, Skills and Training which included:

- Committee Training Day Tuesday 15 June—to which POB Members would be invited.
- Hymans Online Academy—about to be launched. More details would be circulated to POB Members following this meeting. LGPS Online Learning Academy (vimeo.com)—on-line video shown to POB Members in the meeting.

15 Forward Work Programme

15.1 It was agreed that the forward work programme should include:

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

16 Any Other Business

16.1 It was noted that the ACCESS Pool was governed by a Joint Committee (JC) that did not include scheme member representation. The Norfolk Pension Fund was represented on the JC by the Chair of Pensions Committee, Cllr Judy Oliver (representing the Norfolk Pension Fund) had supported previous suggestions of allowing scheme member representation on the JC. The Pensions Committee and POB would be kept informed of any new developments on this issue which had been reported to the Pension Committee.

17 Future meetings

The dates were:

9th September
11th November
10th February 2022

Chair