

Pensions Committee

Minutes of the meeting held on Tuesday 6 July 2021 commencing at 9:30 am and held at County Hall, Norwich

Present:

Cllr W Richmond	
Cllr D Roper	
Cllr J Oliver	(Chair)
Cllr A Waters	

Officers Present:

Simon George	Executive Director of Finance and Commercial Services
Glenn Cossey	Director of the Norfolk Pension Fund
Alex Younger	Head of Funding & Investment
Jo Quarterman	Norfolk Pension Fund Project and Development Manager
Debra Keeling	Pension Member Services Manager
Tim Shaw	Committee Officer

Others Present:

David Walker	Investment Adviser, Hymans Robertson (not present for item 12)
Brian Wigg	Pensions Oversight Board

1 Apologies for Absence

- 1.1** Apologies for absence were received from Mr S Aspin, Cllr J Fuller, Cllr R Savage and Cllr M Storey.

2 Chair and Vice-Chair

- 2.1** The Committee noted that Cllr J Oliver was appointed Chair by the County Council.
- 2.2** The Committee was asked to fill the position of Vice-Chair of the Committee and on being put to the vote it was:
RESOLVED
That Cllr A Waters be elected Vice-Chair of the Committee for the ensuing year.

3 Minutes

- 3.1** The minutes of the previous meeting held on 2 March 2021 were confirmed as a correct record and signed by the Chair.

4 Declaration of Interest

The following declarations of interest were received:

- Cllr Waters declared an “other interest” because his wife was a member of the scheme.
- Mr David Walker, Hymans Robertson, declared a Disclosable Pecuniary Interest in Item 12 (Procurement of Actuarial, Benefit and Governance Consultancy Services) as investment adviser to the Committee and Hymans Partner, took no part in the decision and left the room while Members considered this item.

5 Matters of Urgent Business

5.1 There were no matters of urgent business.

6 Administration Report

6.1 The annexed report (5) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund was received. The report was the quarterly update for the Pensions Committee on operational and administration matters relating to the Fund. This followed the last full quarterly report to Pensions Committee in March 2021.

6.2 The Committee received a slide presentation highlighting key issues from the report.

The report itself briefed the Committee on the following topics:

- Coronavirus and Smarter Working Update
- Governance framework for the Norfolk Pension Fund
- Pensions Oversight Board
- National Scheme Advisory Board
 - Responsible Investment (RI)
 - Scheme Annual Report
- MHCLG
- The Pensions Regulator
- Communication and Customer Care Strategy:
 - With Scheme Members
 - Annual Benefit Statement for active and deferred members
 - Retired Members Newsletter Primetime
 - Retired Member Forum
 - Pensions Increase Notifications
 - P60 End of Year Certificates
 - Printed payslips
 - With Employers
 - Employer Forums
 - Employer Webinars
 - Employer Newsletter

- Norfolk Pension Fund Annual Team (virtual) Meeting
- Year End
 - Scheme Administration Year End
 - Financial Year End – Statutory Accounts
 - EY Audit Plan for 2020-21
 - Draft Assurance Letter
 - Employer Financial Reporting Requirements
- Annual Report – Cost Transparency
- Norfolk Audit Services Annual Internal Audit Report for 2020-21 for the Norfolk pension Fund
 - The Annual Internal Audit Report
- Changes to Investment Strategy Statement
- Climate Risk Reporting – template for publication
- Collaborative Working / Value for Money
 - National LGPS Procurement Frameworks update
 - Frameworks 2020-21 actual outturn
 - Global Custody Joint Procurement by 7 ACCESS Funds
 - Norfolk's use of the Framework for Actuarial, Benefits and Governance Consultancy Services
- Knowledge and Skills including training day on 15th June
- Admission Agreements
 - Aspen Services Ltd (Evolution Trust)
 - Churchill Services (Broadland District Council)
 - Compass Group T/a Chartwells (Diocese of Ely Multi Academy Trust)
 - Compass Group T/a Chartwells (Eastern Multi Academy Trust)
 - Compass Group T/a Chartwells (Stabbed All Saints & North Elmham Primary School)
- Update on Bulk Transfer Values in Progress
- Freedom of Information Act (FoIA)
- Representation on behalf of the Pension Fund
- Norfolk Pension Fund – Pensions Committee Forward Plan

6.3

The Committee's attention was drawn to the following:

- Coronavirus and Smarter Working
 - Stable operational basis maintained
 - Norfolk Pension Fund's participation in the annual Staff Survey and the Corporate Authority's Smarter Working Programme
 - Need to align development of smarter working solutions with future service delivery requirements of the Norfolk Pension Fund to support members and other stakeholders.
- Scheme Advisory Board's LGPS 2020 Annual Report highlights
 - 6.2m members 16,300 employers £276bn assets
 - Awaiting next steps – Good Governance and Responsible Investment
- Communications and engagement
 - Members: preparing for production and distribution

- Annual Benefit Statements, available on-line by the end of August and delivered to home addresses in September
 - Employers: virtual forum in July
- Year end
 - Administration – last full year of ‘traditional’ year-end returns before the introduction of new software to allow employers to submit monthly data
 - Annual report and statutory accounts update – revised timetable for audit and publication of the accounts
- Internal Audit report
 - ‘Acceptable’ report for 2020-21
- Climate Risk Reporting
 - Template at Appendix H published on website which will be updated every six months
- National LGPS Frameworks
 - Two frameworks recently launched
- Admission Agreements
 - 5 admission agreements for Committee to agree and note

6.4 RESOLVED

That the Committee agree and note the contents of this report and approve the following 5 Admission Agreements:

- **Aspen Services Ltd (Evolution Trust)**
- **Churchill Services (Broadland District Council)**
- **Compass Group T/a Chartwells (Diocese of Ely Multi Academy Trust)**
- **Compass Group T/a Chartwells (Eastern Multi Academy Trust)**
- **Compass Group T/a Chartwells (Stibbard All Saints & North Elmham Primary School)**

7 Update from the Pensions Oversight Board

- 7.1** The annexed report (7) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund was received. The report updated the Pensions Committee on the work of the Pensions Oversight Board (POB) which had last met on 27 May 2021.
- 7.2** Brian Wigg, the Independent Chair of the POB, said that the POB had received reports on the following issues:
- An update on current operational issues and regulatory reform
 - Cyber security
 - Risk management – High Risks
- 7.3** It was noted that POB Members had attended the training day for Members of Pensions Committee held on 15 June 2021 and that they

regularly attended webinars and virtual conferences. The 5th annual report of the Board could be found at appendix C to the committee report.

7.4 RESOLVED

That the Committee note the contents of the report.

8 Exclusion of the Public Items 9-16 only

8.1 The Committee was asked to consider excluding the public from the meeting under Section 100A of the Local Government Act 1972 for consideration of the items below on the grounds they involved the likely disclosure of exempt information as defined by paragraph 3 of Part 1 of the Schedule 12A to the Act, and the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

8.2 Paragraph 3 stated “information relating to the financial or business affairs of any particular person” (including the Authority holding the information).

Having applied the “Public Interest Test” it was recommended the Pensions Committee confirm the exclusions listed below:-

8.3 Item 9 – ACCESS Update – Joint Committee Virtual Briefing

This report contains financial, business, and commercial information including details about third party company operations which could significantly weaken their position in a competitive environment by revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice their interests which may expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

8.4 Item 10– Risk Register Report

This report contains financial, business, and commercial information including details about third party company operations which could significantly weaken their position in a competitive environment by revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice their interests which may expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

8.5 Item 11 – NPF Strategic Review Programme: Status Report

This report contains financial, business, and commercial information including details about third party company operations which could

significantly weaken their position in a competitive environment by revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice their interests which may expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

8.6 Item 12 - Procurement of Actuarial, Benefit and Governance Consultancy Services

This report contains financial, business, and commercial information including details about third party company operations which could significantly weaken their position in a competitive environment by revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice their interests which may expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

8.7 Item 13 – Quarterly Performance Report by Hymans Robertson

This presentation contains financial, business, and commercial information including details about third party company operations, including details of individual stock "buy and sell" activity which could significantly weaken their position in a competitive environment by revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice their interests which may expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

8.8 Item 14 – Investment Update

This report contains financial, business, and commercial information including details about third party company operations, including details of individual stock "buy and sell" activity which could significantly weaken their position in a competitive environment by revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice their interests which may expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

8.9 Item 15 - Public Equity (growth assets) Review – Further Information

This report contains financial, business, and commercial information including details about third party company operations, including details of individual stock "buy and sell" activity which could significantly weaken their position in a competitive environment by revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice their interests which may expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

8.10 Item 16 – Exempt Minutes

These minutes contained commercially sensitive information related to the performance of third-party individual fund management companies which if in the public domain could have a detrimental impact on the companies' commercial revenue and consequently adverse impact on Pension Fund Performance.

8.11 RESOLVED

That the above items be excluded from public disclosure by virtue of paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 and the text applied above, confirming that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

9 ACCESS Update- Virtual Briefing

9.1 The Committee received a report (containing exempt information) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund updating Members on investment and governance matters pertaining to the ACCESS Pool (A Collaboration of Central, Eastern and Southern Shires).

9.2 The Committee received on a confidential basis an overview and update on the work of the ACCESS pool, governed by a Joint Committee made up of one Councillor from each Committee's Pensions Committee.

9.3 RESOLVED

That the Committee note the contents of the report.

10 Risk Register Report

10.1 The Committee received a report (containing exempt information) by the Executive Director of Finance and Commercial Services and the Director of Norfolk Pension Fund that updated the Pensions Committee on the Norfolk Pension Fund's Risk Register and Breaches Policy.

10.2 RESOLVED

That the Committee note the contents of the report.

11 NPF Strategic Review Programme: Status Report

11.1 The Committee received a report (containing exempt information) by the Executive Director of Finance and Commercial Services and the Director of Norfolk Pension Fund that provided an update on progress with the Norfolk Pension Fund Strategic Review Programme and supporting projects.

11.2 RESOLVED

That the Committee note the contents of the report.

12A Mr David Walker, Hymans Robertson (Disclosable Pecuniary Interest)

At this point in the proceedings Mr David Walker, Hymans Robertson, declared a Disclosable Pecuniary Interest in the following item (Procurement of Actuarial, Benefit and Governance Consultancy Services) as the actuarial adviser to the Committee and Hymans Partner, and left the room while Members considered this item and took no part in the decision.

12 Procurement of Actuarial, Benefit and Governance Consultancy Services

12.1 The Committee received a report (containing exempt information) by the Executive Director of Finance and Commercial Services and the Director of Norfolk Pension Fund that outlined the approach by which Norfolk Pension Fund would procure Actuarial, Benefit and Governance Consultancy Services when the current contract for Actuarial Services ends in December 2021. The procurement would be via further competition under the latest National LGPS Framework for Actuarial, Benefit and Governance Consultancy Services.

12.2 RESOLVED

That the Committee note the contents of the report and the approach to further competition.

12,3 Mr David Walker, Hymans Robertson, re-entered the room at this point in the proceedings.

13 Investment Performance Update by Hymans Robertson

13.1 The Committee received a detailed booklet and presentation on investment performance (containing exempt information) by Hymans Robertson.

13.2 The Investment Advisor summarised the investment performance for the first quarter of 2021 which was set out in the report.

13.3 RESOLVED

That the Committee note the detailed booklet and the work undertaken by Hymans.

14 Investment Update

14.1 The Committee received a report (containing exempt information) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund that dealt with the investment strategy and assets of the Fund. It included details about the onboarding of assets to the ACCESS Pool, an update on class actions, and further forthcoming training sessions for Members on investment issues.

14.2 RESOLVED

That the Committee note the content of the report.

15 Global Equity Review – Further Information

15.1 The Committee received for training purposes a slide presentation (containing exempt information) on equity investments by Hymans Robertson.

15.2 The presentation explained the Fund's asset allocation, active and passive equity investment management styles and focused on UK, Regional, Global and Emerging Markets and responsible investment.

16 Exempt Minutes of the meeting held on 2 March 2021

16.1 The exempt minutes of the meeting held on 2 March 2021 were confirmed by the Committee and signed by the Chair.

The meeting concluded at 12 noon

Chair