



## **Pensions Committee**

Date: **Tuesday 1 December 2020**

Time: **9:30am**

Venue: **Virtual Meeting**

**Pursuant to The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020, this meeting of the Pensions Committee of Norfolk County Council will be held using video conferencing.**

**The Pensions meeting will be broadcast live via You Tube. Please click on this link:**

<https://youtu.be/Oe-OgQ2nd7Q>

### **Membership**

#### **Members**

Cllr Judy Oliver – Chairman

Cllr Danny Douglas  
Cllr Tom FitzPatrick  
Cllr Martin Storey  
Cllr Brian Watkins

#### **Co-opted Members**

Cllr John Fuller  
Cllr Alan Waters - Vice-Chairman

#### **Member Representative**

Steve Aspin

**For further details and general enquiries about this Agenda  
please contact the Committee Officer:**

Tim Shaw on 01603 222948  
or email [timothy.shaw@norfolk.gov.uk](mailto:timothy.shaw@norfolk.gov.uk)

## **A g e n d a**

1. **To receive apologies – (please note that owing to the Trustee Status of this Committee, substitute members are not allowed)**

2. **Minutes**

**(Page 5 )**

To confirm the minutes of the meetings held on 1 October 2020

3. **Members to Declare any Interests**

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is on your Register of Interests you must not speak or vote on the matter.

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter

In either case you may remain in the room where the meeting is taking place. If you consider that it would be inappropriate in the circumstances to remain in the room, you may leave the room while the matter is dealt with.

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an **Other Interest** in a matter to be discussed if it affects, to a greater extent than others in your division

- Your wellbeing or financial position, or
- that of your family or close friends
- Any body -
  - Exercising functions of a public nature.
  - Directed to charitable purposes; or
  - One of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union);

Of which you are in a position of general control or management.

If that is the case then you must declare such an interest but can speak and vote on the matter.

4. **To receive any items of business which the Chairman decides should be considered as a matter of urgency**

<b>5</b>	<b>Administration Report</b>	<b>(Page 15 )</b>
	Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund	
<b>6</b>	<b>Update from the Pensions Oversight Board</b>	<b>(Page 46 )</b>
	Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund	
<b>7</b>	<b>ACCESS Update – Unrestricted Items</b>	<b>(Page 50 )</b>
	Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund	
<b>8</b>	<b>Exclusion of the Public (Items 9-15 only)</b>	
	The Committee is 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 involve the likely disclosure of exempt information as defined by Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Act, and the public interest in maintaining the exemptions outweighs the public interest in disclosing the information.	
	The Committee will be presented with the conclusion of the public interest test carried out by the report author and is recommended to confirm the exclusion.	
	<b>Comfort break</b>	
<b>9</b>	<b>ACCESS Update- Exempt Items</b>	<b>(Page 53 )</b>
	Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund	
<b>10</b>	<b>Risk Register</b>	<b>(Page 57 )</b>
	Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund	
<b>11</b>	<b>NPF Strategic Review Programme: Highlight Report</b>	<b>(Page 70 )</b>
	Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund	
<b>12</b>	<b>Hymans Quarterly Performance Report</b>	<b>(Page 87 )</b>
<b>13</b>	<b>Investment Update</b>	<b>(Page 113 )</b>
	Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund	

**Comfort break**

**14      Regulatory and Funding Update      (Page 121 )**

Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund

**15      Exempt Minutes      (Page 163 )**

To confirm the exempt minutes of the meeting held on 1 October 2020.

**Tom McCabe  
Head of Paid Service  
County Hall  
Martineau Lane  
Norwich  
NR1 2DH**

Date Agenda Published: 23 November 2020



If you need this report in large print, audio, Braille, alternative format or in a different language please contact Customer Services on 0344 800 8020 or Text Relay on 18001 0344 800 8020 (textphone) and we will do our best to help.

## **Pensions Committee**

### **Minutes of the meeting held on Thursday 1 October 2020 commencing at 9:30 am and held as a virtual teams meeting**

#### **Present:**

Mr S Aspin	
Cllr D Douglas	
Cllr T FitzPatrick	
Cllr J Fuller	
Cllr J Oliver	(Chair)
Cllr M Storey	
Cllr A Waters	(Vice-Chair)
Cllr B Watkins	

#### **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
Mark Alexander	Pensions Manager
Robert Mayes	Pension Fund Accountant
Tim Shaw	Committee Officer

#### **Others Present:**

David Walker	Investment Adviser, Hymans Robertson
Rob Bilton	Hymans Robertson
Brian Wigg	Pensions Oversight Board
Clifford Sims	Squire Patton Boggs
John Harries	Pensions Oversight Board
Cllr Chris Walker	Pensions Oversight Board
Rachel Farmer	Pensions Oversight Board

#### **1 Apologies for Absence**

- 1.1** There were no apologies for absence (although all members were unable to stay for the whole of the meeting).

#### **2 Minutes**

- 2.1** The minutes of the previous meeting held on 7 July 2020 were confirmed as a correct record and signed by the Chairman.

### **3 Declarations of Interest**

The following declaration of interest was received:

- Mr Waters declared an “other interest” because his wife was a member of the scheme.

### **4 Matters of Urgent Business/Additional Information**

**4.1** There were no matters of urgent business.

**4.2** Prior to the meeting, the Committee received by email additional information in support of item 7; the Ernst & Young (EY) draft audit results report (ISA260) which contained the proposed letter of representation. This did not change the recommendation in the report at item 7 from the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund.

### **5 Administration Report**

**5.1** 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 July 2020.

**5.2** The Committee received a slide presentation highlighting key issues from the report. The report itself provided briefed the Committee on the following topics:

- Coronavirus Update
- Operational Update
- Accommodation and Smarter Working
- Governance framework for the Norfolk Pension Fund
- Pensions Oversight Board
- National Scheme Advisory Board
- Good Governance in the LGPS
- Responsible Investment Guidance
- Ministry of Housing, Communities and Local Government (MHCLG)
- Risk Management
- Web Content Accessibility Guidelines
- Communications
- Active and Deferred Scheme Members
- Annual Benefits Statements
- Pensions Clinics and Annual Meeting
- Annual Allowance and Lifetime Allowance
- Revaluation of Benefits

- Retired Members/ Retired Members Forum
- Employers/Employer Forums/ Employer Webinars/ Employer Newsletters
- Norfolk Pension Fund (NORFOLK PENSION FUND) Team
- Year End/ Scheme Administration Year End/ Financial Year End
- Employer Financial Reporting Requirements
- Collaborative Working/Value for Money
- National LGPS Procurement Frameworks
- Procurement: Pensions Administration Software
- Knowledge and Skills
- 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

### 5.3 The Committee's attention was drawn to the following:

- Cllr Tom FitzPatrick said that he would take up NORFOLK PENSION FUND requirements for the central post room printing and posting of Fund correspondence with the Head of IT.
- The Committee noted that the SAB, the LGA and the Pensions Regulator continued to provide support for the LGPS.
- The risk register continued to be carefully monitored and would be reported in full to the December 2020 meeting of the Committee.
- Annual Benefit Statements for active and deferred scheme members were made available online by 31 August 2020. Printed benefits statements had been printed and posted to scheme members in September 2020.
- Cllr Brian Watkins drew attention to the successful role of the Norfolk Pension Fund in hosting the National LGPS Frameworks which operated on a self-funding model, with liability shared between all Founding Authorities. The LGPS had collectively benefitted from more than £119m in projected savings as a result of the National LGPS Frameworks programme. The Committee noted that the National LGPS Frameworks were shortlisted again as Finalists at the GO Procurement Awards for the 'Team of the Year – Local Government, Central Government' 2020 category. The Frameworks team attended the 'virtual' Finalists Awards ceremony on 17 July 2020. The Committee placed on record thanks to all Framework and Pension Fund staff who were associated with this success story.

### 5.4 RESOLVED

**That Committee agree and note the contents of this report.**

**6 Update from the Pensions Oversight Board**

**6.1** The annexed report (6) 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 20 September 2020.

**6.2** Brian Wigg, the Independent Chair of the POB, expressed POB's thanks for the close working relationship they had with the Committee. He updated Committee on work being undertaken to explore effective means of communication and engagement with retired scheme members. He said that POB members welcomed the invitation that they had received to join the presentation and discussion facilitated by Hymans Robertson after today's Pensions Committee meeting to consider how best to maintain and develop knowledge and skills of Committee and POB members.

**6.3 RESOLVED**

**That the Committee note the contents of the report.**

**7 Draft Pension Fund Annual Report and Accounts 2019-20**

**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 presented the draft Annual Report and Accounts of the Norfolk Pension Fund for the year-ended 31 March 2020. The Ernst & Young (EY) ISA 260 draft report (including the proposed letter of representation) was distributed as additional information prior to the start of the meeting and made available to the public on the committee pages website.

**7.2** Alex Younger, Head of Funding and Investment, explained the work to complete the annual report and accounts for the Norfolk Pension Fund for 2019-20 and the key messages it contained, in accordance with relevant regulations.

**7.3** In reply to questions, the Head of Funding and Investment said that the Risk Register was regularly reviewed by the Management Team and appropriate action taken. The uncertainties that arose from the Covid-19 pandemic and the implications that they had for investment risks were being regularly monitored and reviewed.

**7.4 RESOLVED**

**That the Committee:**



1. **Note the 2019-20 Annual Report and Accounts (Appendix A to the report).**
2. **Note the letter of representation and the Ernst & Young (EY) ISA 260 draft report (the additional information).**
3. **Delegates to the Chair of the Committee and the Director of Finance and Commercial Services authority to sign the letter on behalf of the Norfolk Pension Fund.**

## **8 Corporate Governance and Shareholder Engagement Report**

- 8.1** The annexed report (7) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund was received. This report was the six-month update for the Pensions Committee on corporate governance and shareholder engagement matters relating to the Fund including ESG matters relating to the ACCESS Pool. This followed the last full report to Pensions Committee in February 2020 and covered the period 1 January 2020 to 30 June 2020.
- 8.2** In reply to questions, the Head of Funding and Investment explained the work of the ACCESS Pool in developing a measurement of its carbon footprint based on each portfolio company's carbon emissions. He also explained the measurements for scope 1 and scope 2 emissions for the two ACCESS sub-funds currently invested in by the Norfolk Pension Fund mentioned at paragraph 8.2 of the report.
- 8.3** The Head of Funding and Investment also referred to Norfolk Pension Fund's planned participation in a Hymans Robertson pilot project to develop carbon measurement of all equity portfolios on a consistent basis. More information on this work would be available at the next meeting of the Pensions Committee,
- 8.4** Members of the Committee congratulated the Norfolk Pension Fund and Hymans Robertson on their work in developing a carbon emission reporting pilot initiative.
- 8.5** **RESOLVED**

**That the Committee note the contents of the report.**

## **9 ACCESS Update – Unrestricted Items**

- 9.1** 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 Committee on the work of the ACCESS Pool.
- 9.2** Members drew attention to the proposed external communications strategy for the ACCESS Pool which was being drafted by Hymans Robertson. The Director of the Norfolk Pension Fund said that this strategy would enable the ACCESS Pool to identify key

communications priorities and to appoint a spokesperson on communication issues. The communications strategy would enable the ACCESS Pool to influence government policy as well the actions of other stakeholders.

### **9.3 RESOLVED**

**That the Committee:**

- 1. Note the contents of the report.**
- 2. Note that the next virtual meeting of the ACCESS Joint Committee will be in November 2020 at a date to be confirmed.**

### **10 Exclusion of the Public Items 11-18 only**

**10.1** 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.

**10.2** 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:-

#### **10.3 Item 11 – ACCESS Update – Exempt Items**

This report contained 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 internal and third-party interests which might expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

#### **10.4 Item 12 – Norfolk Pension Fund Strategic Review: Highlight Report**

This report contained 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 might expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

**10.5      Item 13 – Quarterly Performance Report by Hymans Robertson**

This presentation contained 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.

**10.6      Item 14 – Investment Update**

This report contained 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.

**10.7      Item 15 – Fiduciary Duties of Elected Members**

This report contained 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.

**10.8      Item 16 – Funding & Regularity Update**

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.

**10.9      Item 17 – Actuarial Update Presentation**

This Presentation contained 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.

**10.10      Item 18 -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.

**10.11      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 out-weighted the public interest in disclosing the information

**11           ACCESS Update- Exempt items**

**11.1**      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).

**11.2**      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.

**11.3      RESOLVED**

**That the Committee note the contents of the report.**

**12           Norfolk Pension Fund Strategic Review: Highlight Report**

**12.1**      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 updated the Committee on progress with the Norfolk Pension Fund Strategic Review Programme and supporting projects.

**12.2 RESOLVED**

**That the Committee note the contents of the report.**

**13 Investment Performance Update by Hymans Robertson**

**13.1** Members received a detailed booklet and presentation by Hymans (containing exempt information) that reviewed Investment Managers' performance for the second quarter of 2020.

**13.2 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 items relating to the investment strategy and assets of the Fund.

**14.2 RESOLVED**

**That the Committee note the content of the report and agree to the recommendations contained therein.**

**15 Fiduciary Duties of Elected Members**

**15.1** 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 about the Fiduciary Duties of Elected Members.

**15.2** The Committee also received a presentation and guide from Clifford Sims of Squire Patton Boggs, (legal advisor to the Norfolk Pension Fund) that provided an overview of the fiduciary responsibilities of Pension Committee Members.

**15.3 RESOLVED**

**That the Committee note the content of the report and guide and place on record thanks to Clifford Sims on his presentation.**

**16 Funding and Regularity Update**

**16.1** 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 about several recent regulatory changes and proposals impacting on the funding and administration of

LGPS benefits. This accompanied Item 17 where the Fund Actuary would give a presentation on these matters.

**16.2 RESOLVED**

**That the Committee note the content of the report and agree to the recommendations contained therein.**

**17 Actuarial Update Presentation**

**17.1** The Committee received a presentation (containing exempt information) from the Fund Actuary about the matters included in item 16.

**17.2 RESOLVED**

**That the Committee note the content of the presentation.**

**18 Exempt Minutes of the meeting held on 7 July 2020**

**18.1** The exempt minutes of the meeting held on 7 July 2020 were confirmed by the Committee and signed by the Chairman.

**The meeting concluded at 13.40 pm**

**Chairman**

# Report to Pensions Committee

Item No. 5

<b>Report title:</b>	<b>Administration Report</b>
<b>Date of meeting:</b>	<b>1 December 2020</b>
<b>Responsible Director:</b>	<b>Simon George, Executive Director of Finance and Commercial Services Glenn Cossey, Director of the Norfolk Pension Fund</b>
<p><b>Executive Summary</b></p> <p>This report is the quarterly update for the Pensions Committee on operational and administration matters relating to the Fund. This follows the last full quarterly report to Pensions Committee in October 2020.</p> <p><b>Recommendations</b></p> <p>The Committee agree and note the contents of this report specifically including the admission agreements in respect of:</p> <ul style="list-style-type: none"> <li>• Churchill Services (the Wensum Trust – Kinsdale contract)</li> <li>• Pendergate Ltd t/a Ridge Crest Cleaning (Sapientia Education Trust – Fakenham Academy contract)</li> <li>• Ecoclean (North Norfolk District Council contract)</li> </ul>	

<u>Item No.</u>	<u>Title</u>	<u>Appendices</u>
<b>1</b>	Background	
<b>2</b>	Coronavirus	
<b>3</b>	Governance framework for the Norfolk Pension Fund:	
3.1	Pensions Oversight Board	
3.3	National Scheme Advisory Board	
3.5	○ The 95k cap	
3.10	○ Good Governance in the LGPS	
3.12	○ Guide to Employer Flexibilities	
3.15	The Pensions Regulator	
3.19	Risk Management	Appendix A
<b>4</b>	Communications	
4.1	With Active and Deferred Scheme Members	
4.2	○ Annual Allowance and Lifetime Allowance	
4.3	○ <u>The Government Actuary's Department (GAD) Valuation</u>	
4.6	With Retired Members	

4.8	With Employers	
4.10	○ Employer Forums	
4.14	○ Employer Webinars	
4.16	○ Employer Newsletters	Appendix B
4.19	Norfolk Pension Fund Team	
5	Accounts and Financial Reporting	
5.1	Annual Report and Accounts	
5.3	Employer Financial Reporting Requirements	
6	Collaborative Working/Value for Money	
6.1	CIPFA Benchmarking	
6.3	National LGPS Procurement Frameworks	
7	Knowledge and Skills	
7.3	○ Norfolk Pension Fund Training Strategy	Appendix C
8	Team News and Awards	
9	Admission Agreements	
9.2	• Churchill Services (the Wensum Trust – Kinsdale contract)	
9.9	• Pendergate Ltd t/a Ridge Crest Cleaning (Sapientia Education Trust – Fakenham Academy contract)	
9.16	• Ecoclean (North Norfolk District Council contract)	
10	Update on Bulk Transfer Values in Progress	Appendix D
11	Freedom of Information Act (FoIA)	
12	Representation on behalf of the Pension Fund	Appendix E
13	Norfolk Pension Fund – Pensions Committee Forward Plan	Appendix F
14	Financial and Other Resource Implications	
15	Other Implications (inc. Equality Impact Assessment (EqIA))	
16	Risk Implications/Assessment	
17	Recommendations	
18	<b>Background Papers</b>	
	Appendix A - Risk Heat Map	
	Appendix B - Employer Newsletter - October Edition	
	Appendix C - Norfolk Pension Fund Training Strategy	
	Appendix D - Update on Bulk Transfer Values in Progress	
	Appendix E - Representation on behalf of the Pension Fund	
	Appendix F - Pensions Committee Forward Plan	



## **1. Background**

- 1.1 This report is the quarterly update for the Pensions Committee on operational and administration matters relating to the Fund.
- 1.2 This follows the last full quarterly report to Pensions Committee in October 2020.

## **2. Coronavirus**

- 2.1 The full Norfolk Pension Fund team transitioned to home working on the 23 March 2020. A stable operational basis has been established and maintained.
- 2.2 The whole team took part in 'Smarter Working' discussions which will help inform future working arrangements that support the needs of the service and its stakeholders.
- 2.3 With the support of ICT, we are exploring options for outgoing post via the central print and post service.

## **3. Governance framework for the Norfolk Pension Fund**

### **3.1 Pensions Oversight Board**

- 3.2 The report from the Pensions Oversight Board is covered by agenda item 6 at this committee meeting.

### **3.3 National Scheme Advisory Board**

- 3.4 The National Scheme Advisory Board (SAB) met virtually on the 2 November 2020. More information about the work of the Board is available on their [website](#).
- 3.5 'The £95k cap'
- 3.6 The SAB, Secretariat and LGA continue to provide valuable support and resources to the LGPS through the coronavirus pandemic, including liaison with MHCLG, TPR etc.
- 3.7 The implementation of the Restriction of Public Sector Exit Payments Regulations 2020 with effect from 4th November 2020 created a conflict with the current LGPS regulations.
- 3.8 The SAB has sought legal opinion and published guidance for both scheme employers and administering authorities.
- 3.9 This item is covered in more detail under item 14 of this agenda.
- 3.10 Good Governance in the LGPS
- 3.11 The project is progressing, although delayed by the pandemic. The team are progressing 3 key deliverables currently: implementation advice around the Phase 2 proposals ; a sample of a fund's new Governance Compliance Statement; and a sample independent governance review report. it is anticipated that these will be reviewed by the SAB at their February 2021 meeting.
- 3.12 Guide to employer Flexibilities
- 3.13 The SAB is preparing guidance which will be published after publications of MHCLG Statutory Guidance.
- 3.14 This item is covered in more detail under item 14 of this agenda.
- 3.15 **The Pensions Regulator**
- 3.16 The Pensions Regulator (TPR) anticipates consulting on a new combined code (bringing together all current TPR 15 Codes of Practice) in early 2021.
- 3.17 The new code will be topic based, and deliver improved navigation and search, with more focus on governance, procedure and policy.

- 3.18 It should be consistent with the current Code of Practice 14 (for Public Service Pensions Schemes)
- 3.19 **Risk Management**
- 3.20 The latest summary Risk Heat Map (at November 2020) is at Appendix A. This item is covered in more detail under item 10 of this agenda.
- 4. Communications**
- 4.1 **With Active and Deferred Scheme Members**
- 4.2 Annual Allowance and Lifetime Allowance
- 4.3 Pension Savings Statements were issued to all scheme members who exceeded the Annual Allowance in 2019/20 before the statutory deadline of 6 October 2020.
- 4.4 The Government Actuary's Department (GAD) Valuation
- 4.5 Valuation data as at 31 March 2020 has been submitted to GAD on time.
- 4.6 **With Retired Members**
- 4.7 Retired Members received a communication with their November payslips updating them on operational arrangements during the pandemic and how we will keep in touch during 2021.
- 4.8 **With Employers**
- 4.9 We have increased our employer engagement since March so that we can provide the support our employers need as a result of the pandemic, operational scheme requirements and regulatory developments.
- 4.10 Employer Forums
- 4.11 Since March, Employer Forums have been virtual; the next Employer Forum is on 11 December.
- 4.12 The Agenda will include:
- An update from the Rob Bilton (Hymans Robertson) on the evolving LGPS landscape, focusing on the latest £95k exit cap situation and employer funding flexibilities
  - Overview of developments in Norfolk Pension Fund employer services and administration
  - Ask the Panel Q&A session
- 4.13 The event will be recorded and made available to those employers and team members who weren't able to attend on the day.
- 4.14 Employer Webinars
- 4.15 £95K exit cap: all employers were invited to a webinar about the £95K exit cap and its implications on 8<sup>th</sup> October 2020. This was scheduled to help inform employers responses to the current consultation, which closed on the 9<sup>th</sup> November.
- 4.16 Employer Newsletters
- 4.17 An October edition of the newsletter (please see Appendix B) was sent to all employers, together with further information about the £95K exit payment cap.
- 4.18 Since the newsletter we have also shared updates from the SAB with Employers, in respect of the £95K exit payment cap.
- 4.19 **Norfolk Pension Fund Team**

- 4.20 We are maintaining our weekly newssheet to help keep the team connected, supported and informed through remote working, alongside regular team meetings and less formal connections.

## **5. Accounts and Financial Reporting**

### **5.1 Annual Report and Accounts**

- 5.2 The Report and Accounts must be signed (and published) by 30 November 2020. At the time of writing this remained outstanding.

### **5.3 Employer Financial Reporting Requirements**

- 5.4 31 July (colleges) and 31 August reports (academies) have now been issued. The August exercise in particular is now the largest we undertake. This year we have produced 78 reports in total (54 individual schools and 24 combined Trust reports).

- 5.5 It remains notable that employer auditors have significant higher audit requirements on the accounting disclosures than previous years. This creates additional queries and work for the Fund. On occasion additional actuarial work is required. In most cases this is rechargeable to the relevant employers

## **6. Collaborative Working/Value for Money**

### **6.1 CIPFA benchmarking**

- 6.2 The latest CIPFA benchmarking data has been delayed; this will be reported to Pensions Committee when it is available.

### **6.3 National LGPS Procurement Frameworks**

- 6.4 The National LGPS Frameworks operate on a self-funding model, with liability shared between all Founding Authorities. They are hosted by the Norfolk Pension Fund, supported by a dedicated team of professionals with assistance from other external support as necessary (for example, legal and procurement specialists from Norfolk County Council).
- 6.5 Using the National LGPS Frameworks saves LGPS Funds significant time and money by allowing quicker and more efficient procurement of high-quality and value for money services. The frameworks mean users leverage better prices whilst still making local decisions about service requirements. The LGPS is already collectively benefiting from more than £119m in projected savings as a result of the National LGPS Frameworks programme.
- 6.6 Responses to the Global Custody Services Framework procurement are currently being evaluated, with launch planned for early 2021.
- 6.7 The Invitation to Tender for the Actuarial, Benefits and Consultancy Services Framework re-let is anticipated to be published before the end of 2020.
- 6.8 The National LGPS Frameworks website has been updated to conform with the latest Accessibility Guidelines; penetration testing will take place in December prior to the launch of the secure data area for service users.

## **7. Knowledge and Skills**

- 7.1 There is an ongoing requirement for members of the Pensions Committee to demonstrate a level of knowledge commensurate with the decisions they are making.
- 7.2 Members of Pensions Committee and the Pensions Oversight Board participated in a discussion facilitated by Hymans Robertson after the last Pensions Committee, considering the requirements for Knowledge and Skills, and how these may best be met.
- 7.3 A proposed Norfolk Pension Fund Training Strategy is at Appendix C.

- 7.4 A detailed training plan will be developed to support the Training Strategy.
- 7.5 Details of training events, conferences and webinars that may be of interest are being shared with members of Pensions Committee and the Pensions Oversight Board; and training records are maintained.

## **8. Team News and Awards**

- 8.1 Alex Younger (Head of Funding and Investment) has been shortlisted in the Outstanding Contribution of the Year category at the LAPF Investment Awards 2020.

## **9. Admission Agreements**

- 9.1 There are three admission agreements for the Committee to note.
- 9.2 **Admission Agreement – Churchill Services (Kinsale Junior School – the Wensum Trust)**
- 9.3 We have received application for a new admission agreement from the cleaning contractor Churchills, as they onboard a new contract win.
- 9.4 The admission application is in respect of a cleaning contract with Kinsale Junior School commencing 1 November 2020 for a contract length of 3 years with a possible extension of 2 years.
- 9.5 The admission agreement will cover one member of staff transferring in respect of the contract, with the current right to LGPS membership. It will not cover any other staff of the contractor and will be closed to new hires working on the contract.
- 9.6 The Scheme Employer (the Wensum Trust) will be party to the admission agreement.
- 9.7 The admission agreement will be constructed on the “pass through” basis agreed at the September 2018 meeting of Committee for new agreements with staff transfer dates on or after 1 October 2018.
- 9.8 The legal agreements will be sealed under Chief Officer powers by the Director of Finance & Commercial Services.
- 9.9 **Admission Agreement – Ridge Crest Cleaning (Fakenham Academy – Sapientia Education Trust)**
- 9.10 We have received application for a new admission agreement from Pendergate Ltd trading as Ridge Crest Cleaning.
- 9.11 The admission application is in respect of a cleaning contract with Fakenham Academy which commenced 1 September 2020 with a contract length of 3 years and a possible extension of 2 years.
- 9.12 The admission agreement will cover five members of staff transferring in respect of the contract, with the current right to LGPS membership. It will not cover any other staff of the contractor and will be closed to new hires working on the contract.
- 9.13 The Scheme Employer (Sapientia Education Trust) will be party to the admission agreement.
- 9.14 The admission agreement will be constructed on the “pass through” basis agreed at the September 2018 meeting of Committee for new agreements with staff transfer dates on or after 1 October 2018.
- 9.15 The legal agreements will be sealed under Chief Officer powers by the Director of Finance & Commercial Services.
- 9.16 **Admission Agreement – Ecoclean East Anglia (NNDC)**
- 9.17 We have received application for a new admission agreement from Ecoclean East Anglia.

- 9.18 The admission application is in respect of a cleaning contract with North Norfolk District Council, which commenced 1 October 2020 for a contract length of 5 years with a possible extension of 4 years.
- 9.19 The admission agreement will cover two members of staff transferring in respect of the contract, with the current right to LGPS membership. It will not cover any other staff of the contractor and will be closed to new hires working on the contract.
- 9.20 The Scheme Employer (North Norfolk District Council) will be party to the admission agreement.
- 9.21 The admission agreement will be constructed on the “pass through” basis agreed at the September 2018 meeting of Committee for new agreements with staff transfer dates on or after 1 October 2018.
- 9.22 The legal agreements will be sealed under Chief Officer powers by the Director of Finance & Commercial Services.

## **10. Update on Bulk Transfer Values in Progress**

- 10.1 Please see Appendix D for Bulk Transfer Values in progress.

## **11. Freedom of Information Act (FoIA)**

- 11.1 Since the last Committee papers were finalised, we have provided the following responses to Freedom of Information Act enquiries. All responses have been made via the Corporate Freedom of Information Act Officer within statutory deadlines.

11.2	30/10/2020	Individual ENQ-440552-K4P8R9	Requirements scheme makes regarding the independence to be demonstrated and exercised by the adjudicator appointed by the employing authorities under Reg 74 Local Government Pension Scheme Regs 2012	Responded
	29/10/2020	Cobalt Software ENQ-440117-M7R1M0	Fund level performance reports for private equity and real estate portfolio for Q1, Q2 and Q3 2019.	Responded
	07/10/2020	Bloomberg ENQ-435461-V6M6C4	Alternative investment portfolio records close-ended funds with aggregated values since inception for Q1 and Q2 2020	Responded
	05/10/2020	Global Fund Media ENQ-434848-D6X3Z6	Investment fund information - details of funds, amount invested, management and performance fees	Responded
	29/09/2020	Individual ENQ-430388-X1S4B7	Covid-19 related mortality within the Fund.	Responded
	24/09/2020	Unquote ENQ-432932-C6R7H2	Investment information for Q2 2020.	Responded
	22/09/2020	Individual ENQ-432199-M9H8F4	Information on member and employer pension contributions (%) for a scheme employer	Responded
	21/09/2020	Altman ENQ-431702-P8J9F5	Cash-flow reports from Q1 2019, Q3 2019, Q4 2019, and Q2 2020 for private capital investments	Responded

## **12. Representation on behalf of the Pension Fund**

- 12.1 Please see Appendix E for meetings and events which have taken place since the last Pension Committee and ones which may be of interest to trustees or officers of the Fund.

## **13. Norfolk Pension Fund – Pensions Committee Forward Plan**

- 13.1 The rolling one-year Pensions Committee Forward Plan is attached at Appendix F.

## **14. Financial and Other Resource Implications**

- 14.1 At the time of writing this report there are no additional financial or other resource implications beyond those already budgeted for and approved by Committee.

## **15. Risk Implications/Assessment**

- 15.1 Any risk implications relating to this report will be recorded on the Fund's risk register.

## **16. Other Implications (inc. Equality Impact Assessment (EqIA))**

- 16.1 The Norfolk Pension Fund have considered the impact of the changes in service delivery as a result of the global pandemic. There are no issues relevant to equality in this report.
- 16.2 Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

## **17. Recommendations**

- 17.1 The Committee agree and note the contents of this report specifically including the admission agreements in respect of:
- Churchill Services (the Wensum Trust – Kinsdale contract)
  - Pendergate Ltd t/a Ridge Crest Cleaning (Sapientia Education Trust – Fakenham Academy contract)
  - Ecoclean (North Norfolk District Council contract)

## **18. Background Papers**

- 18.1 Appendix A - Risk Heat Map  
Appendix B - Employer Newsletter - October Edition  
Appendix C - Norfolk Pension Fund Training Strategy  
Appendix D - Update on Bulk Transfer Values in Progress  
Appendix E - Representation on behalf of the Pension Fund  
Appendix F - Pensions Committee Forward Plan

## Officer Contact

If you have any questions about matters contained in this paper please contact:

**Officer name :** Glenn Cossey

**Tel No. :** 01603 228978

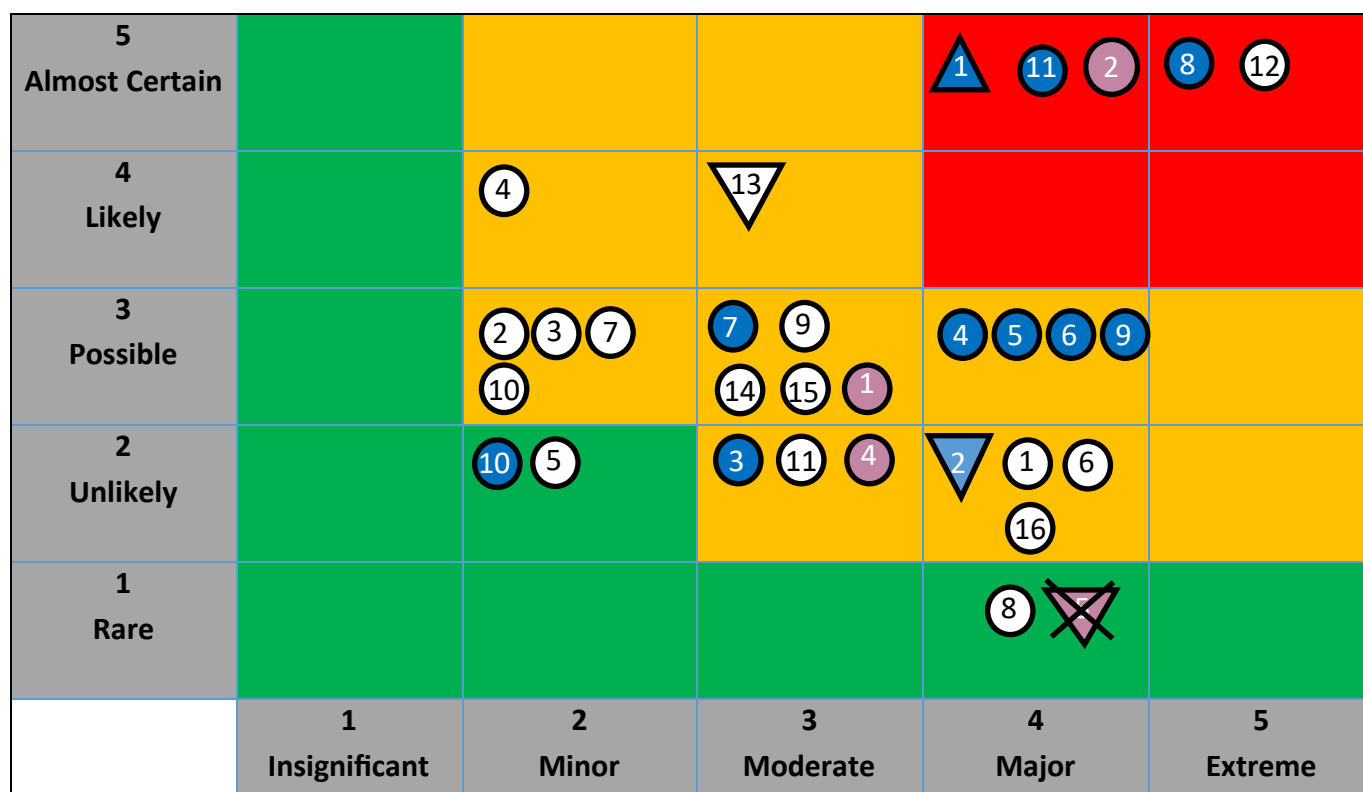
**Email address :** [Glenn.cossey@norfolk.gov.uk](mailto:Glenn.cossey@norfolk.gov.uk)




If you need this document in large print, audio, Braille, alternative format or in a different language, please contact Customer Services on 0344 800 8020 or Text Relay on 18001 0344 800 8020 (textphone) and we will do our best to help.


# Norfolk Pension Fund Risk Heat Map November 2020 , showing movement since July 2020


## APPENDIX A



	Governance (NPFG)	Funding & Investment (NPFF)	Benefits Administration (NPFA)
1	Regulatory and performance requirements failure	Financial mismatch	Failure to meet regulatory and performance requirements
2	Asset pooling (ACCESS) (Gov)	Concentration	Lack of skilled resource (Admin)
3	Knowledge & understanding (O)	Manager underperformance	-
4	Knowledge & understanding PC	Systemic risk	Business continuity (Admin)
5	Knowledge & understanding POB	Credit default - Counterparty failure	Employer and Employee on line services
6	Business continuity (Gov)	Illiquidity	
7	Communication & Engagement	Default by participating employer	
8	Lack of skilled resource (gov)	Poor advice	
9	National LGPS Frameworks	Changing demographics (Assumptions v Experience)	
10	Brexit	Business Continuity (F & Inv)	
11	Cyber Security	Communication	
12		Lack of skilled resource (F & Inv)	
13		Asset pooling (ACCESS) (F & Inv)	
14		Currency risk	
15		Environmental, Social & Governance (ESG)	
16		Custody, Stock Lending, Transition	

Becoming more of a risk 

Risk is stable 

Becoming less of a risk  24





## Employer Newsletter October 2020

### Welcome to our October Employer Newsletter

In this edition we mainly focus on the new public sector £95k exit payment cap.

You may recall this policy was first announced by the Government way back in 2015, but the pace has now quickened with the recent publication by the Ministry of Housing, Communities and Local Government (MCHLG) of its consultation on how the cap should be dealt with by LGPS employers.

The consultation closes on 9 November 2020 with the Government planning to implement the new regulations by the end of the year.

We knew the regulations would have a significant impact on scheme employers and members, but the proposals in the consultation go further than expected.

There's a lot to consider and plan for in a short timescale, so I hope that the overview in this issue will be helpful.

Please also join us for our '**Understanding the £95k Exit Payment Cap**' webinar that we are holding at 2.00pm on Thursday 8 October. The webinar will give an overview of the proposals and help you prepare for the implementation of the new regulations.

To make your reservation, please email [richard.ewles@norfolk.gov.uk](mailto:richard.ewles@norfolk.gov.uk) or call 01603 222824 by Tuesday 6 October.

The Norfolk Pension Fund will be submitting a response from the perspective of the administration of the remedy. If, as a scheme employer, you intend submitting a consultation response we hope that the webinar and this newsletter will be helpful to you.

In addition to the Exit Cap, there are currently two other significant developments affecting the LGPS that we touch on.

The outcome of the 'Goodwin' case means that male survivors of female scheme members who died since December 2005 will have their benefits reviewed, and potentially increased.

And, from 23 September 2020, new regulations came into force regarding the management of employer risk within the LGPS. We explain in this edition how both issues may impact you as a scheme employer.

So, as usual, there's a lot to think about! I hope that you find the information in this edition useful.

Remember we are always here to help.

Best wishes,

Glenn Cossey  
Director of the Norfolk  
Pension Fund



## £95k Exit Payment Cap

### Background

The Government first announced in 2015 plans to cap exit payments made to public sector employees.

The stated aim is to reduce the cost of redundancy pay outs, to provide value for money to the taxpayer, and to ensure greater consistency between the public and private sectors.

### The consultation

The Ministry of Housing and Local Government (MHCLG) are consulting on how the new proposed exit cap regulations fits with the Local Government Pension Scheme (LGPS). The consultation closes on 9 November 2020. You can view a copy at [www.gov.uk](http://www.gov.uk).

The exit payment cap is set at £95,000 with no provision at this stage for figure to be index-linked.

Redundancy payments (including statutory redundancy payments), severance payments, pension strain costs and other payments made because of a termination of employment are all included in the £95k cap.

The MHCLG consultation will gather information on:

- The effects the proposals for reform will have on the regulations which currently govern exit payments (including both redundancy compensation pay and early access to pensions) in local government
- The impact that the proposals for reform will have on the local government workforce.

Consultation responses will inform a full impact assessment which will be issued alongside the appropriate amendment regulations when they are laid before Parliament to be made into law.

### Who is and isn't affected?

The consultation applies to all LGPS funds and public sector employers in England.

Employees of all local authorities are covered by both the cap and compensation regulations, so employees will see a range of limitations to scheme redundancy benefits.

There will be LGPS scheme employers who are not covered by either the cap or compensation regulations where employees will see different outcomes.

Regulations from HM Treasury set out the bodies covered by the £95k cap – '**capped employers**' - while revised compensation regulations (as yet unpublished) will set out the bodies covered by the further reform changes – '**reform employers**'.

Some scheme employers will be both capped and reform employers but others will fall into one or neither camp.

### What happens at the moment?

Currently, under the Local Government Pension Scheme Regulations 2013, employees aged 55 or over, who are members of the LGPS, are entitled to immediate access to unreduced pension where:

- The member is dismissed from an employment on redundancy or business efficiency grounds, or
- The employment is terminated by mutual consent on business efficiency grounds.

When this happens, an LGPS employer must make additional payments to the pension fund to make up the shortfall in funding. This is because provision for early exits is not included in their standard employer contributions. This extra payment is also known as the pension strain cost.

## What are the proposals?

The proposals contained in the consultation aim to ensure that any redundancy package from an LGPS employer (including strain costs) does not exceed £95k.

The proposals will change the Local Government Pension Scheme Regulations 2013 and provide guidance on how the Restriction of Public Sector Exit Payments Regulations 2020 will be enacted for LGPS employers.

On the **employment side**, the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations will be updated to further restrict redundancy payment calculations as follows:

- A maximum tariff for calculating exit payments of three weeks pay per year of service. Employers could apply tariff rates below these limits.
- A ceiling of 15 months (66 weeks) on the maximum number of months or weeks salary that can be paid as a redundancy compensation payment. Employers will have discretion to apply lower limits, as they do at present under current regulations.
- A maximum salary of £80,000 on which a redundancy compensation payment can be based, to be reviewed on an annual basis using an appropriate mechanism, for example, CPI (Consumer Prices Index).

On the **pension side**, the LGPS 2013 Regulations will be changed to give more flexibility around the payment of pensions in redundancy situations.

Currently a member aged 55 or over has no option but to take early retirement when made redundant. However, the new proposal is that they will now have flexible options including, for example, not taking an early pension, taking a part-reduced pension or taking an immediate unreduced pension (paid for by the scheme member).

Therefore, it's proposed that when a member of

the LGPS aged 55 years or over is made redundant, that the benefits and the associated strain cost due from the employer should be limited as follows:

- The strain cost cannot exceed the £95k exit payment
- The strain cost will be further reduced by the value of any Statutory Redundancy Payment required to be paid (which the employee will still receive as a cash payment)
- A further reduction would be made to reflect any voluntary payments made to cover grant of additional pension under the LGPS Regulations 2013
- Any reduction in the strain cost due to the above limitations may be made up by the employee from their own resources
- The member will receive an actuarially adjusted pension benefit in line with the revised strain cost
- Where the employer pays a strain cost for an employee's exit, there can be no discretionary redundancy payment. However, if the discretionary payment would have had a higher value than the strain cost, the member can take the pension enhancement delivered by the strain cost plus a cash payment equal to the difference between the strain cost and discretionary redundancy payment.

There are the following alternative options for the member:

- Taking the discretionary redundancy payment instead and receive an immediate fully actuarially reduced pension (using standard early retirement factors).
- Taking the discretionary redundancy payment and defer taking their pension.

Under both these options, no strain cost payment would be required from the employer, and the member gives up the value of the strain cost above the value of their redundancy payment.

## More questions than answers...

At this stage we are seeking clarification on the following areas so we can provide you with a more definitive explanation of the impact the new proposals will have on you as an employer:

- The consultation doesn't contain any draft regulations, GAD Guidance or other statutory guidance which will be needed in order to enact the proposals. When will the (draft) guidance be published?
- The intention is that the provisions will be in place by January 2021 and the deadline appears tight - is this possible? Will draft regulations be published for consultation before being made?
- Are non-redundancy retirements, especially flexible retirements or retirements where the employer agrees to waive some or all early retirement reductions, affected?
- How will members decide (and who gives them their options) about taking or not taking benefits or taking actuarially reduced benefits, or giving up entitlement to a redundancy payment (if allowed)?

## What will Norfolk Pension Fund be doing?

We will be offering you the support and guidance that you need to understand and plan for the implementation of the exit cap.

This includes an **'Understanding the Exit Cap for Employers' webinar at 2.00pm, Thursday 8 October 2020**, with Rob Bilton from the Fund Actuary, Hymans Robertson, giving an overview of the exit cap, how it will impact on employers and what action they will need to take at this stage. It will also provide information and guidance should you wish to respond to the consultation.

To reserve your place at the webinar, please email [richard.ewles@norfolk.gov](mailto:richard.ewles@norfolk.gov) or call 01603 222824.

Remember that we are always here to help and if you have any questions regarding the exit cap, please contact Mark Alexander at [mark.r.alexander@norfolk.gov.uk](mailto:mark.r.alexander@norfolk.gov.uk) or on 01603 495781.

In the meantime, the Fund will hold off any redundancy (and early retirement/flexible retirement) quotations for retirements pending further national information about the exit cap implementation.

We will also engage with the MHCLG and the SAB (Scheme Advisory Board) and respond to the consultation.

## What do you need to do?

- Join us for our **'Understanding the Exit Cap for Employers' webinar** at 2.00pm, Thursday 8 October 2020. To reserve your place, please email [richard.ewles@norfolk.gov](mailto:richard.ewles@norfolk.gov) or call 01603 222824.
- Understand if you are affected by the proposed changes by reading the draft Restriction of Public Sector Exit Payments Regulations 2020 which can be viewed at [www.legislation.gov.uk](http://www.legislation.gov.uk).
- Decide whether you wish to respond to the consultation which closes on 9 November 2020.
- Please contact us if you receive any early retirement quotes effective after 1 January 2021.
- The Local Government Association (LGA) recently held a useful webinar on exit payment reform, which you can view by [clicking here](#).

## Support for funds to manage employer risk

**From 23 September 2020 new regulations** came into force providing LGPS funds additional tools to manage employer risk.

These regulations may prove to be of particular use during the period of the Covid-19 pandemic but are intended to be available to funds and employers for the long term.

The regulations focus on the following three areas:

### Review of employer contributions

LGPS funds can now review employer contributions in response to a “full range of circumstances” where there has been a “significant change” to the liabilities or covenant of an employer.

Employer contributions are usually only reviewed at formal valuations or when an employer is likely to exit an LGPS fund. The last Norfolk Pension Fund valuation was at 31 March 2019 and set contributions for the three-year period from 1 April 2020 to 31 March 2023. We subsequently reviewed the employer contributions from the valuation to ensure that they remained appropriate in the light of the Covid-19 pandemic. The Fund Actuary decided no change was required.

Although market volatility, and changes to asset values, would not normally be a proper basis for a change in contributions outside a full valuation, changes to pension surplus or deficit due to market conditions can affect covenant and may trigger a review of contributions.

Employers can also request a review of contributions from the Fund provided they meet the costs of the review.

### Spreading exit payments

Currently, employers must pay cessation deficit in a single, lump sum payment (although where appropriate, the Norfolk Pension Fund, along with other LGPS funds, allows some flexibility in payment to help employers with affordability).

However, funds can now formally allow employers to spread exit payments over a reasonable period.

As part of this new arrangement, the Norfolk Pension Fund will need to:

- set out within the Funding Strategy Statement (FSS) our policy on spreading exit payments and obtain advice from the Fund Actuary
- take account of the interests of all employers and LGPS funds when determining the payment terms.

### Deferred Debt Agreements (DDAs) for exiting employers

To further avoid the need for a one-off exit payment, the regulations introduce a “deferred employer” status and DDAs for exiting employers. This allows secondary contributions for employers with no active members and be subject to revision at formal valuations.

The DDA must set out the “specified period” over which the arrangement will run and the termination events. Again, the Fund will need to set out in the FSS our policy on DDAs and to obtain advice from the Fund Actuary.

When entering a DDA with an employer, the Fund will need to:

- consider all the evidence available and “use judgement and local knowledge”
- monitor the DDA carefully (including at valuations) to ensure it is on track to meet its funding target.

Before we formalise our policy regarding the regulatory changes in the Funding Strategy Statement, we await the publication of guidance on their practical application from the Ministry of Housing, Communities and Local Government (MHCLG) and the Scheme Advisory Board (SAB).

**If you need any help with the new regulations please contact**

[alexander.younger@norfolk.gov.uk](mailto:alexander.younger@norfolk.gov.uk) or call 01603 222995.



## The Goodwin Case - male survivor benefits

**Last year public sector pension schemes**, including the LGPS, were changed so that benefits payable to a surviving same sex spouse or a civil partner became the same as if paid to a widow.

However, a recent case (Goodwin vs the Department for Education) within the Teachers' Pension Scheme found that the changes could still lead to discrimination, where male survivors of female scheme members received a lower survivor benefit than a same-sex survivor.

The Government has therefore announced changes to the Teachers' Pension Scheme. Other public service pension schemes (including the LGPS) also need to address this discrimination.

As a result, all LGPS funds will review survivor pensions awarded to male survivors of female members who have died since 5 December 2005.

Any changes as a result will be notified to affected members as soon as possible. The outcome may be that some pensions paid to male survivors will be increased.



Although this judgement is likely to have a very limited funding impact, some employer auditors may require additional information within your accounting disclosures.

As the proposed rectification progresses we will update you with any relevant information.

In the meantime, if you have any questions, please contact Mark Alexander by emailing [mark.r.alexander@norfolk.gov.uk](mailto:mark.r.alexander@norfolk.gov.uk) or calling 01603 495781.

## New employer resources on [www.lgpsregs.org](http://www.lgpsregs.org)

**Just a reminder that [www.lgpsregs.org](http://www.lgpsregs.org)** has recently launched new a resources section specifically for employers.

The new section contains guides and documents relevant to all LGPS employers in England and Wales.

There is also a range of useful employer bite-size training modules, general information about other training and resources, as well as Covid-19 FAQs for employers.

The new employer resources section is available at [www.lgpsregs.org/employer-resources](http://www.lgpsregs.org/employer-resources).



- **Employer guides and documents**
- **Employer bite-size training**
- **Other employer training**
- **COVID-19 FAQs for employers**

## McCloud remedy

**We had a great turnout for our 'Navigating McCloud' webinar** earlier this month.

We know from your feedback that many of you found it very helpful and interesting.

The webinar aimed to help you, as a LGPS employer, understand the background to and implications of the McCloud judgement and proposed remedy.

We hope it was also helpful if you are planning to respond to the [Government's consultation](#) on the proposed remedy to the McCloud case judgement. This consultation closes on 8 October 2020.

The first big challenge for many employers and LGPS Funds will be the submission of historical membership and payroll data.

The good news for you as a Norfolk Pension Fund employer is that we didn't stop collecting this information, so you've already sent what we need.

There is also the potential impact for your liabilities and contribution rates to be affected.

However, we think that this is unlikely as the cost impact on the Norfolk Pension Fund is expected to be small, around about 0.2% of liabilities.

We also made an approximate allowance for McCloud in the funding strategy in 2019, which we hope will avoid any recalculation of contribution rates ahead of the next valuation.

One thing you may need to consider is your next IAS19/FRS102 accounting disclosure. The terms of the final remedy for McCloud results in a lower accounting cost than the original prudent estimates made by Hymans Robertson. Within employer pension disclosures, employer auditors may wish this to be recognised as a past service gain.

### Missed the McCloud webinar?

Fear not! You can still view the recording of the event by [clicking here](#).

The presentation slides are available on the Employer section of our website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org).

## Virtual Employer Forum

**It will be Christmas before you know it!** With that in mind, please also make a note in your diary for **Friday 11 December 2020** when we will be hosting our next virtual Employer Forum.

The main session will be a webinar from 10.00am to 11.30am, which will cover key issues affecting you as an LGPS employer. We will send you a full Agenda nearer the date.

The Norfolk Pension Fund team will be available after the webinar to answer your - we can do this in a way that works best for you, again as a webinar or as 1:1 session, via TEAMS/Zoom or by telephone. Please just tell us your preference.



To register for the event, arrange a 1:1 session with a team member, or to send us your questions or any issues you would like covered, please email [richard.ewles@norfolk.gov.uk](mailto:richard.ewles@norfolk.gov.uk)

## LGA Employer Role training

The **Local Government Association (LGA)** has been holding a number of virtual LGPS Employer Role training sessions recently.

These have proved very popular and we are aware that many of you have been frustrated to find dates fully booked when attempting to reserve a place.

We understand though that another batch of dates are planned later this year and we will let you know of the arrangements as soon as they are published.

Please note that the course is provided by the LGA (not the Norfolk Pension Fund) and the cost is £270 + VAT per delegate.



## Pre-Retirement Course

If you have any employees within two years of retirement, they may benefit from the Pre-Retirement Course delivered by Norfolk County Council on our behalf.

The course, which is currently being delivered virtually over two half day sessions via Zoom, covers general LGPS scheme information, the process of retiring and information members should know before they leave work.

The course is free to all members of the Norfolk Pension Fund and the content includes:

- Creating a new future and managing change



- Investment and finance planning
- Ideas for leisure, sporting, and cultural activities
- Volunteering opportunities
- Information about the Local Government Pension Scheme

### Course Dates

- 14 & 19 October 2020 (two half days)
- 12 & 19 November 2020 (two half days)

**To book a place please contact**  
**HR Direct, Norfolk County Council**  
**01603 222212**  
[HRdirect@norfolk.gov.uk](mailto:HRdirect@norfolk.gov.uk)



## New member joiner pack

**We are currently unable** to supply you with the joiner pack, which you would normally issue to new employees.

However, you can download the following pack items from our website at

[www.norfolkpensionfund.org/employers/joiner-pack/](http://www.norfolkpensionfund.org/employers/joiner-pack/)

- A Brief Guide to the LGPS
- Membership Form (SR95)
- Non LGPS Benefits Transfer-In Request (SR96)
- Death Grant Form (SR81)

The Membership Form can be completed electronically, so you can email a copy to a new employee. The completed form can then be uploaded via the Employer Portal.

## Contact details

**Norfolk Pension Fund**  
Lawrence House  
5 St Andrews Hill  
Norwich  
NR2 1AD

**Pensions Administration**  
**01603 495923**  
[pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk)

**Investment, Accountancy and Actuarial Services**  
**01603 222139**  
[pensions.finance@norfolk.gov.uk](mailto:pensions.finance@norfolk.gov.uk)

**Website, Technical and Employer Queries**  
**01603 222132**  
[pensions.systems@norfolk.gov.uk](mailto:pensions.systems@norfolk.gov.uk)

**[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)**



If you would like this newsletter in large print, audio, Braille, alternative format or in a different language, please call 01603 222824 or email [pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk)

## Norfolk Pension Fund Training Strategy

### Introduction

This is the training strategy of Norfolk Pension Fund (“the Fund”). It has been established to aid the Pension Committee, Pension Oversight Board and Officers understanding of their respective responsibilities. This training strategy sets out how these key roles within the Fund will obtain and maintain the necessary knowledge and understanding in order to fulfil their role.

### Objectives

The Funds’ objectives relating to knowledge and understanding are to:

- Ensure the Fund is well managed and that those individuals responsible for its management and administration have the knowledge and expertise required to carry out their roles;
- Ensure that there is the appropriate level of internal challenge and scrutiny of decisions;
- Ensure the effective governance and administration of the Fund; and
- Ensure decisions taken are robust and based on regulatory requirements or guidance of the Pensions Regulator, the Scheme Advisory Board and the Ministry of Housing, Communities and Local Government (“MHCLG”).

### Knowledge and Skills Regulatory Environment

#### Pension Fund Committee

At the time of writing there is no legal requirement for knowledge and understanding for members of the Pension Committee. However, it is the Fund’s policy that members of the Pension Committee should have no less a degree of knowledge and skills than those required in legislation by the Local Pension Board. The SAB ‘good governance’ project signals a much stronger future requirement on Pension Committee members’ knowledge and understanding.

#### Pensions Oversight Board

There is a legal requirement for members of a Local Pensions Board (known in Norfolk as the Pensions Oversight Board) to be familiar with the rules of the LGPS (i.e. relevant Regulations) and Fund policies and have knowledge and understanding of the law relating to pensions and other matters relevant to their role.

#### Links to The Scheme Advisory Board’s Good Governance project

In February 2019 the Scheme Advisory Board commissioned Hymans Robertson to consider options for enhancing LGPS governance arrangements to ensure that the Scheme is ready for the challenges ahead and at the same time retains local democratic accountability. Following extensive consultation and engagement with the LGPS community the SAB published 2 reports. The following recommendations from the second report relate directly to the attainment of knowledge and skills;

- Key individuals within the LGPS, including LGPS officers and pensions committee members, to have the appropriate level of knowledge and understanding to carry out their duties effectively.
- A requirement for s151 officers to carry out LGPS relevant training as part of their CPD requirements to ensure good levels of knowledge and understanding.

- Administering authorities must publish a policy setting out their approach to the delivery, assessment and recording of training plans to meet these requirements.
- Relevant professional bodies to produce appropriate guidance and training modules for s151 officers and to consider including LGPS training within their training qualification syllabus.

Whilst the findings of the Good Governance Review have yet to be formally adopted in statutory form, this Training Strategy recognises the principles behind the recommendations and seeks to embed them into the culture of Norfolk Pension Fund.

### The Pensions Regulator

The Pensions Regulator's Code of Practice 14 is focused principally on the knowledge and skills requirements of Local Pension Board members, however, the principles and approaches set out in the Code are equally applicable to members of Pension Committees.

The Pensions Regulator has developed an online toolkit to help those running public service schemes understand the governance and administration requirements set out in its code of practice 14 – *Governance and administration of public service pension schemes*. The toolkit covers 7 short modules, which are:

- Conflicts of Interests;
- Managing Risk and Internal Controls;
- Maintaining Accurate Member Data;
- Maintaining Member Contributions;
- Providing Information to Members and Others;
- Resolving Internal Disputes;
- Reporting Breaches of the Law.

The modules of the Regulator's toolkit are by their very nature generic, having to cater for all public service pension schemes. While they give a minimum appreciation of the knowledge and understanding requirements set out in the Code of Practice, they do not cater for the specific requirements of the individual public service schemes.

As a result, the Regulator's toolkit does not cover knowledge and skills requirements in areas such as Scheme regulations, the Fund's specific policies and the more general pension's legislation.

### CIPFA Framework

The CIPFA framework, that was introduced in 2010, covers six areas of knowledge identified as the core requirements:

- Pensions legislative and governance context;
- Pension accounting and auditing standards;
- Financial services procurement and relationship development;
- Investment performance and risk management;

- Financial markets and products knowledge; and
- Actuarial methods, standards and practice.

Under each of the above headings the Framework sets out the knowledge required by those individuals responsible for Fund's management and decision making.

There also exists a specific requirement under MiFID II<sup>1</sup>, that those making investment decisions, must be able to demonstrate that they have the capacity to be treated as professional investors.

### Knowledge and Skills Framework – Local Pension Boards

CIPFA extended the Knowledge and Skills Framework in 2015 to specifically include Pension Board members, albeit there is an overlap with the original Framework. The 2015 Framework identifies the following areas as being key to the understanding of Local Pension Board members;

- Pensions Legislation;
- Public Sector Pensions Governance;
- Pensions Administration;
- Pensions Accounting and Auditing Standards;
- Pensions Services Procurement and Relationship Management;
- Investment Performance and Risk Management;
- Financial markets and product knowledge;
- Actuarial methods, standards and practices.

### Types of knowledge

LGPS pensions is a dynamic environment and that there will always be new things which a Committee or Pension Oversight Board member will be expected to know. For this reason, this policy identifies 3 areas of knowledge which members should be familiar with. These are;

#### Core information

This comprises the building blocks of LGPS knowledge with which everyone covered by this policy should be familiar. Core information would include;

- Pensions Legislation;
- Public Sector Pensions Governance;
- Pensions Administration;
- Pensions Accounting and Auditing Standards;
- Pensions Services Procurement and Relationship Management;

---

<sup>1</sup> Markets in Financial Instruments Directive II (2014/65/EU)

- Investment Performance and Risk Management;
- Financial markets and product knowledge;
- Actuarial methods, standards and practices.

### Fund specific information

This includes areas of knowledge which are of particular relevance to decisions or areas of work which will form part of the upcoming workplan for the Committee or Pension Oversight Board. Some examples of Fund specific information would include;

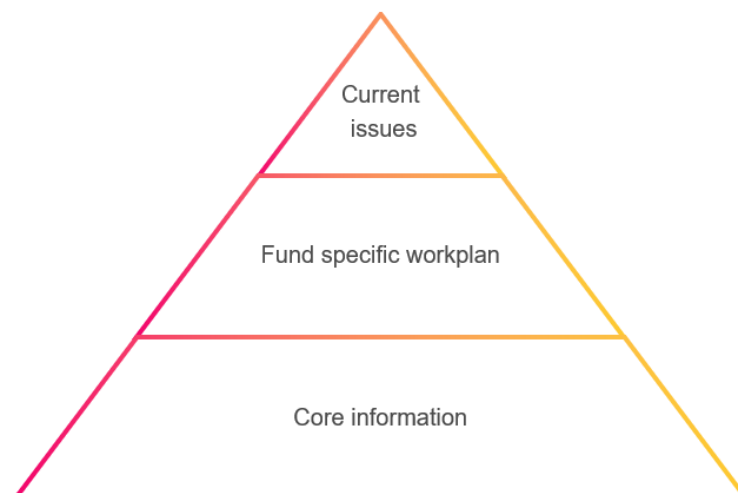
- Training on a particular asset class in which the Committee will be asked to invest at the next meeting.
- Training on actuarial and funding matters delivered as part of the triennial funding valuation.
- Training on breaches of the law before the adoption of a new policy on reporting breaches.

### Current issues

This covers all of the latest issues of relevance to the Committee and Board which may not have been envisaged when the training plan was draw up. This will include the likes of;

- Changes to the LGPS or wider pension legislation which have significant impact on funding, investment or administrative matters.
- Political or global events that are significant enough to move investment markets

The diagram below illustrates the 3 areas of knowledge;



### Management and delivery

To achieve these objectives, the Fund will aim for full compliance with the CIPFA Knowledge and Skills Framework (KSF) and the Pension Regulator Code of Practice. Attention will also be given to any guidance issued by the Scheme Advisory board (SAB), the Pensions Regulator and MHCLG.

The implementation of this Strategy and the delivery of the accompanying Training Plan will be the responsibility of the [Head of Governance]. However, everyone with a requirement to attain knowledge and skills under this Strategy has a personal responsibility to ensure they meet the required standards and must fully engage with the process.

### Training Needs Assessment

Committee and Board members, and officers covered by this Strategy will undergo a Training Needs Assessment (TNA), as required or upon commencing their role, whichever is later. The TNA will be used to identify areas of potential strength and weakness and will form part of developing the Fund's training plan.

### Level of knowledge and skills required

In developing the training plan, consideration will be given as to the level of knowledge needed for each group of individuals. For example, the committee and board may require only an awareness or general understanding of some areas while an officer advising them will provide detailed or expert knowledge of the same topic.

There is also a recognition that Committee and Board members will have their individual strengths and areas of expertise. It will be appropriate in some cases to consider the collective knowledge of the Committee or Board.

### Approach

This Strategy sets out how the Fund provide training to members of the Pension Committee and Pension Oversight Board. The Officers involved in the management and administration of the Fund will have their own team and personal training plans and career development objectives.

- **Induction training** - Pension Committee and Pension Oversight Board members will receive induction training to cover the main functions of the Fund and to understand the duties and obligations of Norfolk County Council as the Administering Authority. Induction training will be provided prior to the member attending their first committee or board meeting wherever possible.
- **External courses** - Additionally, a variety of specialist courses are run by bodies such as the Local Government Association, actuarial, governance and investment advisers as well as fund managers. Appropriate courses will be selected by the [Head of Governance] and information circulated to members in advance. Courses will be selected for their relevance to the Training Plan.
- **Conferences** - There are also a number of suitable conferences run annually, which will be brought to members attention where appropriate. These may be in-person or online. Of relevance are the LGA Annual Governance Conference, LGA Fundamentals Training, Pension and Lifetime Savings Association (PLSA) Conference, the Local Government

Chronicle (LGC) Local Authority Conference, and the Local Authority Pension Fund Forum (LAPFF) annual conference.

Additionally, consideration will be given to various training resources available in delivering training to Pension Committee and Pension Oversight Board members. These may include but are not restricted to:

- In-house and shared training events
- Self-improvement and familiarisation with regulations and documents
- The Pension Regulator's e-learning programme
- Attending courses, seminars and external events
- Internally developed training days and pre/post meeting sessions
- Regular updates from officers and/or advisers
- Informal discussion and one-to-one sessions
- Formal presentations
- Circulated reading material
- E-learning

### Flexibility

When considering training for members of the Pension Committee and Pension Oversight Board it is recognised that individuals may have different learning styles. The Fund will seek, where possible, to offer a variety of training opportunities to support these different learning styles.

### Risk Management

The delivery of this training strategy is at risk in the event of-

- Frequent changes in membership of the Pension Committee or Pension Oversight Board
- Poor individual commitment
- Resources not being available
- Poor standards of training
- Inappropriate training plans

These risks will be monitored, recorded and cross referenced with attendance details and assessment scores by the [Head of Governance] and reported to the Pension Committee and Pension Oversight Board if their impact is likely to prevent Norfolk Pension Fund from achieving the objectives of this Training Strategy.

### Reporting and Compliance

In line with the CIPFA Code of Practice a disclosure will be made in the Fund's Annual Report and Accounts that covers:

- How the Knowledge and Skills framework has been applied.
- What assessment of training needs has been undertaken.
- What training has been delivered against the identified training needs.

### Budget and costs

A training budget will be agreed with the Pension Committee and costs fully scoped.

All direct costs and associated reasonable expenses for attendance of external courses and conferences will be met by the Fund, provided that the Director of the Norfolk Pension Fund's Manager's prior approval is sought before incurring any such expenses (other than routine costs associated with travelling to and from Pensions Oversight Board/Committee meetings) and appropriate receipts are provided evidencing the expenses being claimed for.

### Effective date

This strategy comes into effect from [insert date].

### Review

This strategy will be reviewed every 2 years, and if necessary, more frequently to ensure it remains accurate and relevant.



**Update on Bulk Transfer Values in Progress**

<b>Name</b>	<b>Transfer Date</b>	<b>Estimated Completion Date</b>	<b>State of Play</b>
Cambridgeshire County Council to Norwich City Council	April 2020	2021	Circa 60 staff transferred back to City Council as the second part of ceasing the outsourcing agreement with LGSS. We have provided a draft Actuary's Letter to the Cambridgeshire Fund reflecting the same terms as the bulk transfer received in March 2019 in respect of the 100 members of staff transferred back previously. We continue to await a response from the Cambridgeshire Fund Actuary.

In addition to this transfer we are also working on a number of outsourcing agreements that potentially involve the transfer of staff under TUPE with both employers being members of the Norfolk Pension Fund.

## Representation on behalf of the Pension Fund

During the period since the last Pension Committee, the following meetings and events have occurred – *most meetings were ‘virtual’ due to the Covid-19 Pandemic:*

**GC:** Glenn Cossey, **AY:** Alex Younger, **JQ:** Jo Quarterman, **MA:** Mark Alexander, **DK:** Debra Keeling, **RM:** Robert Mayes, **SA:** Steve Aspin, **JW:** Julie Ward **MM:** Merv McCune

Date	What	Who
<b>Oct</b>		
6	LGA Fundamentals webinar Day 1	GC/JQ
6	JPMorgan Infrastructure Advisory Committee	AY
7	LGA Fundamentals webinar Day 2	GC/JQ
7	LGPS Live webinar	GC/JQ/DK
8	LGA Fundamentals webinar Day 3	GC/JQ
8	Hymans Webinar 95K Cap	Mgt. Team
8	ACCESS Non-Listed Sub-Group (NLSG)	AY
8	SECSOG	MA/DK
9	ACCESS Investment User Group (IUG)	AY
13	SOCITM Change Management Coaching	Mgt. Team
14	Infracapital Quarterly Call	AY
15	OWG	AY/GC
19	Admin Software Interview and Demo – Admin Software	Mgt. Team
20	Admin Software Interview and Demo – Admin Software	Mgt. Team
20	Keeping the LGPS connected webinar	MA/DK
21	Regulatory Changes – Hymans	AY
21	Carbon Disclosure meeting	AY
23	ACCESS S151 meeting	AY
27	Standard Life Advisory Board Meeting	AY
28	SECSOG	MA/DK
29	OWG	AY/GC
<b>Nov</b>		
2	Berenberg Review Call	AY/RM
3	Pantheon Review Call	AY
3	Class User Group (MSS)	MA/MM

4	Class User Group (iConnect)	MA/MM
5	POB Meeting	GC/JQ/DK/AY
12	PLSA Conference – as speaker TPR Harmonisation	JQ
12	ACCESS Joint Committee	GC/AY
16	LGPS Webinar - Tackling the LGPS administrative challenge	GC/JQ/MA
16	M & G Advisory Call (real estate debt)	AY
17/18	Pension Managers' Conference 2020	MA/DK
17/18`	HarbourVest Annual Meeting	AY
20	ACCESS Non-Listed Sub-Group – as Chair	AY
23/24	ACCESS Emerging Market Manager Selection	AY
25	LGPS Webinar - A better future for pensions administration	JQ/MA
26	Access Project Working Group meeting	JQ
27	ACCESS Active Sub List Working Group	AY

**National LGPS Frameworks: PB:** Pippa Bestwick, **LT:** Leon Thorpe, **JF:** Jamie Freeman, **MJ:** Matt Jefford **LR:** Louise Reeves

<b>Oct</b>		
6	Provider Relationship Management - Hymans	LT, MJ
6	Crown Commercial Services – Frameworks discussion	PB
12-16	Conference -PLSA Virtual conference	DH, JF, MJ, LR
13	LGPS Frameworks website development	LT, DH, JF, MJ
21	Pensions Administration Software Founders meeting	LT, DH, MJ
22	Provider Relationship Management - management information meeting	JF, MJ, LR
27	Working Party – Pricing Actuarial 2021 re-let	LT, DH
<b>Nov</b>		
3	Working Party – Pricing Actuarial 2021 re-let	LT, MJ
3	Fund advice/engagement - Global Custody Services	LT, DH
12	Project Meeting of Founders - Actuarial 2021 re-let	LT, DH, MJ, JQ
13	Fund advice/engagement (ACCESS) Stewardship Advisory Services	LT
16	Provider Relationship Management - new provider interest	LT, DH, JF
16	Frameworks - QC legal advice	LT, JQ, GC
26	Advisor Meeting - Global Custody 2020 re-let	LT, DH, JF

In addition to these meetings we have held a number of meetings with managers with whom we do not have a current commercial relationship, meetings in respect of transition and mandate changes and with various fund employers on individual issues. The Fund has attended various other meetings associated with the development of the ACCESS Pool.

The following forthcoming meetings and events have been identified as of possible interest to trustees or officers of the fund:

<b>Date</b>	<b>What</b>
11 Dec	Employer Forum
17 Dec	ACCESS Investor Day

CIPFA – Chartered Institute of Public Finance and Accountancy

ACCA – Association of Chartered Certified Accountants

MHCLG – Ministry for Housing, Communities and Local Government

LAPF – Local Authority Pension Fund

LGA – Local Government Association

LGC – Local Government Chronicle

LGPS – Local Government Pensions Scheme

PLSA - The Pensions and Lifetime Savings Association (previously known as NAPF – National Association of Pension Funds)

## Pensions Committee forward programme – as at 1<sup>st</sup> December 2020

<b>Pensions Committee</b>	<b>Pensions Committee</b>	<b>Pensions Committee</b>	<b>Pensions Committee</b>	<b>Committee Training</b>
<b>2<sup>nd</sup> March 2021</b>	<b>tbc</b>		<b>tbc</b>	<b>2020/21</b>
Administration Report	Administration Report	Administration Report	Administration Report	Funding & Reform Carbon Measurement Review of Equity Assets LGPS Good Governance
Update from the Pensions Oversight Board	Update from the Pensions Oversight Board	Update from the Pensions Oversight Board	Update from the Pensions Oversight Board	
LGPS Pooling/ACCESS Update	LGPS Pooling/ACCESS Update	LGPS Pooling/ACCESS Update	LGPS Pooling/ACCESS Update	
Strategic Review – Highlight Report	Strategic Review – Highlight Report	Strategic Review – Highlight Report	Strategic Review – Highlight Report	
Corporate Governance and Shareholder Engagement Report	Risk Register Report and Compliance with Breaches Policy	Corporate Governance and Shareholder Engagement Report	Risk Register Report and Compliance with Breaches Policy	
Investment Strategy Update	Investment Strategy Update	Investment Strategy Update	Investment Strategy Update	
Pension Fund Service Plan and Budget Report				
Investment Managers: (tbc)	Investment Managers: (tbc)	Investment Managers: (tbc)	Investment Managers: (tbc)	

# Report to Pensions Committee

Item No. 6

<b>Report title:</b>	<b>Update from the Pensions Oversight Board</b>
<b>Date of meeting:</b>	<b>1 December 2020</b>
<b>Responsible Director:</b>	<b>Simon George, Executive Director of Finance and Commercial Services</b> <b>Glenn Cossey, Director of the Norfolk Pension Fund</b>
<b>Executive Summary</b> This report updates the Pensions Committee on the work of the Pensions Oversight Board.  <b>Recommendations</b> Pensions Committee is invited to note the contents of this report.	

## **1. Background**

- 1.1. This report updates the Pensions Committee on the work of the Pensions Oversight Board. A further verbal report may be given by members of the Pensions Oversight Board who will also attend committee. The last update was given at the October 2020 Committee Meeting.

## **2. Pensions Oversight Board meetings**

- 2.1. The Pensions Oversight Board (POB) met on the 5 November 2020. The agenda for this meeting is at Appendix A.
- 2.2 Due to the COVID-19 pandemic, the Board meeting on the 5 November 2020 was an informal, virtual meeting.

## **3. Knowledge and Skills**

- 3.1 Following participation in the National Knowledge Assessment members of POB joined members of the Pensions Committee for the presentation and discussion facilitated by Hymans Robertson on 1 October 2020 to consider options for maintaining and developing knowledge and skills at the Norfolk Pension Fund.

## **4. Financial and Other Resource Implications**

- 4.1 At the time of writing this report there are no additional financial or other resource implications beyond those already budgeted for and approved by Committee.

## **5. Other Implications (inc. Equality Impact Assessment (EqIA))**

- 5.1 The Norfolk Pension Fund have considered the impact of the changes in service delivery as a result of the global pandemic. There are no issues relevant to equality in this report.
- 5.2 Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

## **6. Risk Implications/Assessment**

- 6.1 Any risk implications relating to this report will be recorded on the Fund's risk register.

## **7. Recommendation**

- 7.1 Pensions Committee is invited to note the contents of this report.

## **8. Background Papers**

- 8.1 Appendix A: POB Agenda 5 November 2020

### **Officer Contact**

If you have any questions about matters contained in this paper, please get in touch with:

**Officer name :** Glenn Cossey

**Tel No. :** 01603 228978

**Email address :** [Glenn.cossey@norfolk.gov.uk](mailto:Glenn.cossey@norfolk.gov.uk)



If you need this report in large print, audio, braille, alternative format or in a different language please contact customer services on 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.



### Norfolk Pension Fund Pensions Oversight Board

Date: **Thursday 5 November 2020**

Time: **10:30am**

Venue: **Virtual Teams Meeting**

### Membership

#### Chairman

Brian Wigg

#### Employer Representatives

Cllr Chris Walker Poringland Parish Council

Debbie Beck Norfolk County Council

Howard Nelson DNEAT

#### Scheme Member representatives

John Harries Active / Deferred member

Rachel Farmer Trade Union

Peter Baker Pensioner member

### Agenda

1. Welcome and Introduction

2. Apologies

To receive apologies

3. Minutes and matters arising

To agree the minutes of the meeting held on the 10 September 2020.

4. Declarations of interest

Members to declare any conflict of interest. For the purposes of a member of a Local Pension Board (the Pension Oversight Board), a 'conflict of interest' may be defined as a financial or other interest which is likely to prejudice a persons exercise of functions of a Local Pension Board. (A conflict does not include a financial or other interest arising merely by virtue of being a member of the LGPS / Norfolk Pension Fund).

Therefore, a conflict of interest may arise when a member of a Local Pension Board:

- must fulfil their legal duty to assist the Administering Authority; and
- at the same time they have:
  - a separate personal interest (financial or otherwise); or



- another responsibility in relation to that matter, giving rise to a possible conflict with their first responsibility as a Local Pension Board member.
- 5. Items of urgent business  
To receive any items of business which the Chairman decides should be considered as a matter of urgency
- 6. Pensions Committee  
Feedback from the virtual Pensions Committee meeting on 1 October 2020 and items to be raised at the 1 December 2020 meeting.
- 7. Norfolk Pension Fund operational update  
An update on operational performance and issues, to include:
  - Accessibility Guidelines and compliance;
  - Retired members engagement
  - Smarter Working;
- 8. LGPS Reform
- 9. Internal Audit reports  
HEAT (Hymans Robertson Employer Asset Tracker) system
- 10. Risk Management  
To receive the latest risk update and HEAT map
- 11. Knowledge, skills and training  
To follow up the Knowledge and Skill joint session with Pensions Committee on 1 October 2020.
- 12. Forward work programme for the Pensions Oversight Board  
To include Employer Services and implications of the new Pensions Administration Software
- 13. Date of next meeting: to confirm the date of the next meeting

Contact for questions about this agenda: Jo Quarterman, Business Development and Project Manager, Norfolk Pension Fund [jo.quarterman@norfolk.gov.uk](mailto:jo.quarterman@norfolk.gov.uk) Tel.: 01603 223950  
Date agenda published: 29 October 2020

# Report to Pensions Committee

Item No. 7

<b>Report title:</b>	<b>ACCESS Update – Unrestricted Items</b>
<b>Date of meeting:</b>	<b>1 December 2020</b>
<b>Responsible Director:</b>	<b>Simon George, Executive Director of Finance and Commercial Services</b> <b>Glenn Cossey, Director of the Norfolk Pension Fund</b>
<b>Executive Summary</b> <p>The Government requires LGPS Funds to work together to “pool investments to significantly reduce costs, while maintaining investment performance”.</p> <p>Since December 2016 the Norfolk Pension Fund has been working with 10 other ‘like-minded’ Administering Authorities to form ACCESS (A Collaboration of Central, Eastern and Southern Shires) Pool. The ACCESS Funds are Cambridge, East Sussex, Essex, Hampshire, Hertfordshire, Isle of Wight, Kent, Norfolk, Northamptonshire, Suffolk and West Sussex.</p> <p>An Inter-Authority Agreement (IAA) has been signed by all 11 authorities defining governance and cost sharing arrangements for the ACCESS Pool.</p> <p>The ACCESS Pool is governed by a Joint Committee (JC) made up of one elected councillor from each authority’s Pensions Committee. The Norfolk Pension Fund is represented by the Chair of Pensions Committee.</p> <p>This report provides an update to the Pensions Committee on the work of the ACCESS Pool.</p> <b>Recommendations</b> <ul style="list-style-type: none"><li>• The Pensions Committee is asked to consider and note the contents of this report.</li><li>• The Committee notes that the next virtual meeting of the JC will be held on 13<sup>th</sup> January 2021.</li></ul>	

## 1. Background and Purpose

- 1.1 The ACCESS Joint Committee (JC) last met on 12<sup>th</sup> November 2020. A full set of restricted and unrestricted agenda papers relating to this meeting was circulated to members of this Committee and the Pensions Oversight Board for information.
- 1.2 This report briefs Pensions Committee on the unrestricted items considered by the JC at the November meeting.
- 1.3 Agenda items from the November meeting deemed to be exempt under Schedule 12A of the Local Government Act 1972 are presented under agenda item 9 at today’s Pensions Committee meeting.

## 2. COVID-19 – Remote Working Arrangements

- 2.1 In response to the COVID-19 crisis, ACCESS officer meetings and meetings of the JC are held virtually. It is anticipated meetings will be held on a virtual basis for the foreseeable future. The next virtual meeting of the JC is 13<sup>th</sup> January 2021.

### **3. Business Plan and Budget**

- 3.1 Updates on key activities contained in the 2020-21 business plan were given by way of separate items on the agenda. This included specific reports on:
- Communications
  - Environmental, Social Governance (ESG)/Responsible Investment (RI)
  - Sub-fund implementation
  - Contract Management
  - Non-listed assets
- 3.2 As budget forecasts and variances had only recently been reported to the September JC, no further budget update was provided at the November meeting. A full budget report will be produced for the January JC.
- 3.3 In presenting the summary risk profile, it was noted that no risk scores had changed, and no new risks had emerged.

### **4. Communications**

- 4.1 At the September meeting, the JC considered and agreed a communications plan which included the procurement of external support to assist with the delivery of communication priorities.
- 4.2 The ACCESS Support Unit (ASU) used a procurement framework provided by Bloom Procurement Services Ltd. A service specification, based on the Communication Plan presented to the September JC, was presented to six communication service providers on the 21<sup>st</sup> October.
- 4.3 Following the evaluation of submitted bids and interviews on the 9<sup>th</sup> November, a supplementary report recommending the appointment of the winning provider was presented to JC at its meeting on the 12<sup>th</sup> November as an exempt item of business (see Item 9 on today's agenda).

### **5. Environmental Social and Governance and Responsible Investment Guidelines**

- 5.1 At its September meeting, the JC approved an outline specification for the provision of specialist advice to develop ACCESS's ESG/RI guidelines.
- 5.2 To support the development of a detailed specification of requirement, an ESG/RI "task and finish group" was established.
- 5.3 The detailed specification for the procurement of specialist ESG/RI advice was presented to the November JC. The advice will be procured in two phases:

#### **Phase 1:**

- advice on developing ESG/RI pool guidelines on behalf of the 11 ACCESS Funds
- drafting of ESG/RI pool guidelines
- advice on implementing ESG/RI guidelines in a pooled environment, and
- advice on future reporting requirements to provide transparency to stakeholders, monitor adherence to guidelines and inform discussion on ESG/RI matters.

#### **Phase 2:**

- deliver reporting requirements to provide transparency to stakeholders, monitor adherence to guidelines and inform discussion on ESG/RI matters
- provide comment on developing of the reporting requirements to reflect industry changes and best practice.

- 5.4 Using the Stewardship Advisory Services LGPS National Framework, the procurement for Phase 1 is on track to launch mid-November with the deadline for responses scheduled for mid-December. Following the evaluation of bids and selection interviews, a recommendation for the appointment of a preferred provider will be made at the next meeting of the JC on the 13<sup>th</sup> January 2021.

## **6. Financial and Other Resource Implications**

- 6.1 At the time of writing this report there are no additional financial or other resource implications beyond those already budgeted for and approved by Committee.

## **7. Other Implications (Inc. Equality Impact Assessment (EqIA))**

- 7.1 The Norfolk Pension Fund has considered the impact of the changes in service delivery as a result of the COVID-19 global pandemic.
- 7.2 Officers have considered all the implications which members should be aware of. Apart from those listed (if any), there are no other implications to take into account. There are no issues relevant to equality in this report.

## **8. Risk Implications/Assessment**

- 8.1 Any risk implications relating to this report will be recorded on the Fund's risk register.

## **9. Recommendations**

- 9.1 The Pensions Committee notes the contents of this report.
- 9.2 The Committee notes that the next virtual meeting of the JC will be held on 13<sup>th</sup> January 2021.

## **10. Background Papers**

- 10.1 A full set of restricted and unrestricted agenda papers relating to the 12<sup>th</sup> November JC meeting were previously circulated by email to members of this Committee and the Pensions Oversight Board for information.

## **Officer Contact**

If you have any questions about matters contained in this paper, please get in touch with:

**Officer name:** Glenn Cossey

**Tel No.:** 01603 228978

**Email address:** [glenn.cossey@norfolk.gov.uk](mailto:glenn.cossey@norfolk.gov.uk)



If you need this report in large print, audio, braille, alternative format or in a different language please contact customer services on 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.