

Pensions Committee

Minutes of the meeting held on Tuesday 1 December 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 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
Tim Shaw	Committee Officer

Others Present:

David Walker	Investment Adviser, Hymans Robertson
Rob Bilton	Fund Actuary, Hymans Robertson
Fraser Hope	Hymans Robertson
Brian Wigg	Pensions Oversight Board

1 Apologies for Absence

- 1.1** An apology for absence was received from Cllr Martin Storey.

2 Minutes

- 2.1** The minutes of the previous meeting held on 1 October 2020 were confirmed as a correct record and signed by the Chair.

3 Declaration 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** The Committee received on the table as urgent business a paper from the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund about a request for an additional admission agreement in respect of Access Community Trust. The admission application was in respect of a gardening contract let by Great Yarmouth Borough Council, which commenced 1 October 2020. The Chair agreed to take this at item 5 when considering other admission requests.

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 October 2020.

- 5.2** The Committee received a slide presentation highlighting key issues from the report.

The report itself briefed the Committee on the following topics:

- Coronavirus Update
- Governance framework for the Norfolk Pension Fund
- Pensions Oversight Board
- National Scheme Advisory Board
 - The 95k cap
 - Good Governance in the LGPS
 - Guide to Employer Flexibilities
- The Pensions Regulator
 - New Combined Code
- Communications
 - With Active and Deferred Scheme Members
 - Annual Allowance and Lifetime Allowance
 - The Government Actuary's Department (GAD)
 - Valuation
 - With Retired Members
 - With Employers
 - Employer Forums
 - Employer Webinars
 - Employer Newsletters
 - Norfolk Pension Fund Team
- Accounts and Financial Reporting
 - Publication of the Annual Report and Accounts
 - Employer Financial Reporting Requirements
- Collaborative Working/Value for Money
 - CIPFA Benchmarking

- National LGPS Procurement Frameworks
- Knowledge and Skills
 - Norfolk Pension Fund Training Strategy
- Team News and Awards
- Admission Agreements
 - 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)
 - Access Community Trust (Great Yarmouth Borough Council—separate urgent business report)
- 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:

- Communications and engagement with Scheme Members:
 - Annual Allowance and Lifetime Allowance
 - Retired members Autumn update
- Communications and engagement with Employers:
 - Virtual Forum; Webinars; Newsletters.
- The Norfolk Pension Fund Training Strategy (set out on page 34 of the agenda) was developed to aid the Pension Committee, Pension Oversight Board and Officers understand and meet their respective responsibilities.
- The Committee noted that the SAB, the LGA and the Pensions Regulator continued to provide support for the LGPS.
- Norfolk Pension Fund requirements for the central post room printing and posting of Fund correspondence were now being progressed.
- In reply to questions it was pointed out that the Norfolk Pension Fund continued to monitor Government plans for changes in the measurement of inflation from RPI to CPI and would respond to the possible impact on pension fund asset values when/where necessary. The Government's plans would not impact on calculations about scheme members annual inflationary pension increases because they were already linked to CPI.
- In reply to further questions it was noted that on-line security and financial fraud were high risks on the Committee's risk register. A range of actions to mitigate against these risks were in place with further activity planned for early 2021.
- Members congratulated Alex Younger for being shortlisted for Outstanding Contribution of the Year in the LAPF Awards.

5.4 RESOLVED

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)**
- **Access Community Trust (Great Yarmouth Borough Council) (take as an urgent business item).**

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 5 November 2020.

6.2 Brian Wigg, the Independent Chair of the POB, said that the POB had asked for the following issues to be included in their forward work programme:

- The shape of Employer Services (including suggestions as to how employer administration may be reorganised and details about the new Employer Services Team).
- The implications of the new Pensions Administration Software for scheme members and employers.
- Details about how HEAT (Hymans Robertson Employer Asset Tracker) system could assist employers.

6.3 Brian Wigg referred to how POB had previously looked at the experiences of scheme members who were coming up to retirement and the experiences of a small employer and offered the possibility of POB taking part in similar work areas in the future.

6.4 RESOLVED

That the Committee note the contents of the report.

7 ACCESS Update – Unrestricted Items

7.1 The annexed report (7) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund was received. The report updated the Committee on the work of the ACCESS Pool. The last virtual meeting of the Joint Committee was held on 12th November 2020.

7.2 The Committee's attention was drawn to the following:

- No change to ACCESS risk scores, and no new risks had emerged.
- The Joint Committee was updated on the ACCESS Communications Plan.
 - A service specification was issued to six communication service providers.
 - Bids were evaluated and interviews held early in November 2020.
 - The Joint Committee recommendation to appoint the winning bidder would be reported under exempt business (at item 9).
- The Joint Committee also considered ESG and RI Guidelines.
 - Detailed specification for the procurement of specialist ESG/RI advice.
 - Phase 1: developing and drafting guidelines, Phase 2: ESG/RI reporting requirements.
 - Officer 'task and finish' group set-up to support the development of guidelines
 - Procurement for Phase 1 launched mid-November 2020
 - January 2021 JC - appoint winning bidder.

7.3 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 held on 13 January 2020.**

8 Exclusion of the Public Items 9-15 only

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

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

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

8.3 Item 9 – ACCESS Update – 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.

8.4 Item 10 – Risk Register

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.

8.5 Item 11 - NPF Strategic Review Programme: 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.

8.6 Item 12 – Quarterly Performance Report by Hymans Robertson

This presentation 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.

8.7 Item 13 – 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.

8.8 Item 14 – Regulatory and Funding 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.

8.9 Item 15 – Exempt Minutes

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

8.10 RESOLVED

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

9 ACCESS Update- Exempt items

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

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

9.3 RESOLVED

That the Committee note the contents of the report.

10 Risk Register

10.1 The Committee received a report (containing exempt information) by the Executive Director of Finance and Commercial Services and the Director of Norfolk Pension Fund that updated Members on the Norfolk Pension Fund's Risk Register and Breaches Policy that had continued to be assessed and monitored through the Covid-19 pandemic.

10.2 RESOLVED

That the Committee note the contents of the report.

11 Norfolk Pension Fund Strategic Review Programme: Highlight Report

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

11.2 RESOLVED

That the Committee note the contents of the report.

12 Investment Performance Update by Hymans Robertson

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

12.2 RESOLVED

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

13 Investment Update

13.1 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.

13.2 RESOLVED

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

14 Regulatory and Funding 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 updated Pensions Committee on the latest position, implications and Fund approach to regulatory and funding issues.

14.2 RESOLVED

That the Committee note the content of the report.

15 Exempt Minutes of the meeting held on 1 October 2020

15.1 The exempt minutes of the meeting held on 1 October 2020 were confirmed by the Committee and signed by the Chairman.

The meeting concluded at 13 20 pm

Chairman