

Pensions Committee

Minutes of the meeting held on Tuesday 12th March commencing at 9:30 am and held at County Hall, Norwich

Present:

Cllr Judy Oliver	(Chair)
Cllr William Richmond	(Vice Chair)
Cllr Martin Storey	
Mr Steve Aspin	

Officers Present:

Glenn Cossey	Director of the Norfolk Pension Fund
Alex Younger	Head of Funding & Investment
Jo Quarterman	Head of Governance
Debra Keeling	Pension Services Manager
Eunice Walcott	Governance Manager
Nicola Ledain	Committee Officer

Others Present:

Brian Wigg	Chair of the Pensions Oversight Board
Peter Baker	Scheme Member Representative, Pensions Oversight Board
Ross MacLeod	Hymans Robertson
Hossein Nikoopour	Insight Investment
Andy Burgess	Insight Investment
Erin Musli	Insight Investment

1 Apologies for Absence

1.1 Apologies for absence were received from Cllr John Fuller, Cllr Paul Hewett and Cllr Brian Watkins.

2 Minutes

2.1 The minutes of the previous meeting held on Tuesday 5 December 2023 were confirmed as a correct record and signed by the Chair.

3 Declaration of Interest

3.1 Steve Aspin declared an 'other' interest as he had investments with Fidelity.

4. Administration Report

4.1 The annexed report (4) by the Director of Strategic Finance and the Director of the Norfolk Pension Fund was received. This 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 December 2023.

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

- The Pensions Regulator's new General Code comes into effect at the end of March 2024.
- Two new amber risks added to risk register, Pensions Dashboard readiness and Pension Services Delivery Model.
- Audit coverage detailed in the 2024-2027 Medium Term Internal Audit Plan.
- Main activities and key operational projects set out in the Service Plan.
- The submission of the Annual Data Quality Report to the Pensions Regulator.
- 2021-22 Annual Report and Accounts being signed off by external auditors.
- The strategy for Cash Management and counterparty/collateral arrangements for the currency programme.
- the three Admission Agreements in respect of:
 - Aspens Services (Broad Horizons Education Trust)
 - Churchill Services (Notre Dame High School)
 - Caterlink (Colman Infant & Junior Federation)

4.3 RESOLVED

- To agree the main activities and projects outlined in the Service Plan
- To note the 2024-27 Medium Term Internal Audit Plan
- To approve the cash management strategies for the management of the Fund's cash balances and dynamic currency programme (items 9 and 10).
- To note the three Admission Agreements in respect of:
 - Aspens Services (Broad Horizons Education Trust)
 - Churchill Services (Notre Dame High School)
 - Caterlink (Colman Infant & Junior Federation)

5. Update from the Pensions Oversight Board

5.1 The annexed report (5) by the Director of Strategic Finance 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 last reported to the Committee on 5 December 2023.

5.2 RESOLVED

That the Committee noted the contents of the report.

6. Pension Fund Budget 2024-2025

- 6.1 The annexed report (6) by the Director of Strategic Finance and the Director of the Norfolk Pension Fund was received. It explained that the Norfolk Pension Fund budget was set separately from Norfolk County Council's budget and was based upon the Fund's Service Plan. The budget took account of statutory responsibilities and legislative changes, as well as significant operational changes that might impact upon the Pension Fund during the year.
- 6.2 In approving the 2023-24 budget, Pensions Committee were advised of interim staffing arrangements following the departure of two senior managers within the Pension Services Team. This provided the opportunity to review and update the Pension Services operational model. While the transition from interim to permanent staffing arrangements remains on-going, work completed to date (approx. 30 of the 40 impacted headcount) has been reflected in the 2024-25 staffing budget.
- 6.3 The Committee were reassured that the staffing budget for Pension Services was designed to create a robust structure. Members confirmed that whilst they would always hold the officers to account, having staff to undertake complex work was always a challenge but ultimately the right people had to be employed to do the job.
- 6.4 **RESOLVED**
The Pensions Committee approved the Pension Fund 2024-25 budget.

7. Corporate Governance and Shareholder Engagement Report (including summary climate risk monitoring report)

- 7.1 The annexed report (7) by the Director of Strategic Finance and the Director of the Norfolk Pensions Fund was received. The report was the six-monthly update for the Pensions Committee on corporate governance and shareholder engagement matters relating to the Fund including Environmental Social Governance matters relating to the ACCESS Pool. The report covered the period 1 July 2023 to 31 December 2023 and included the carbon measurement report for the public equity portfolios and the updating of the Fund's Statement on Divestment / Exclusion and ESG (Environmental, Social and Governance) Aspects of Investment Strategy.
- 7.2 Having considered the contents of the report, the Pensions Committee **NOTED** and **APPROVED** the updated Statement on Divestment / Exclusion & ESG (Environmental, Social & Governance) Aspects of Investment Strategy.

8. ACCESS Update Unrestricted Items

- 8.1 The annexed report (8) by the Director of Strategic Finance and the Director of the Norfolk Pension Fund was received. This report provided an update to the Pensions Committee on the work of the ACCESS Pool.

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

- 8.2.1
- JC last met on 4 March 2024 – morning workshop to discuss Third Party Review (see item 10). Peter Baker (Scheme Member Representative) from Norfolk's Pensions Oversight Board attended as observer. The next meeting was due to be held on 10 June 2024.
 - 2023-24 Business Plan – progress against key deliverables was discussed.
 - 2023-24 forecast spend of £1.604m v's approved budget £1.559m reflects additional legal advice required to support business plan activities. Total forecast spend equates to £146k per ACCESS authority.
 - Arrangements for Local Pension Board members to observe JC meeting on a rotational basis is to be reviewed after its first year of operation.
 - PIRC (Responsible Investment Consultants) working to deliver.
 - a) Reporting Framework for ACCESS's Responsible Investment Guidelines
 - b) Updated Voting Guidelines
 - c) An ACCESS submission for UK Stewardship Code

8.3 **RESOLVED**

That the committee noted the contents of the report.

9. **Exclusion of the Public Items 10-15 only**

9.1 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.

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

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

9.4 **Items 10 to 15**

The reports contain 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.

9.5 **RESOLVED**

That agenda items 10-15 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.

Public meeting closed at 10.20am