



## Pensions Committee

Date: **Tuesday 6 July 2021**

Time: **9:30am**

Venue: **Council Chamber, County Hall, Martineau Lane,  
Norwich NR1 2DH**

### Membership

#### Members

Cllr Judy Oliver – Chair

Cllr Will Richmond  
Cllr Dan Roper  
Cllr Robert Savage  
Cllr Martin Storey

#### Co-opted Members

Cllr John Fuller  
Cllr Alan Waters

### Member Representative

Steve Aspin

#### Advice for members of the public:

This meeting will be held in public and in person.

It will be live streamed on YouTube and, in view of Covid-19 guidelines, we would encourage members of the public to watch remotely by clicking on the following link:

<https://youtu.be/gDBFR4RVFu0>

However, if you wish to attend in person it would be most helpful if, on this occasion, you could indicate in advance that it is your intention to do so. This can be done by emailing [committees@norfolk.gov.uk](mailto:committees@norfolk.gov.uk) where we will ask you to provide your name, address and details of how we can contact you (in the event of a Covid-19 outbreak). Please note that public seating will be limited.

Councillors and Officers attending the meeting will be taking a lateral flow test in advance. They will also be required to wear face masks when they are moving around the room but may remove them once seated. We would like to request that anyone attending the meeting does the same to help make the event safe for all those attending. Information about symptom-free testing is available [here](#).

## 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 **Chair and Vice Chair**  
**To note Cllr Oliver is appointed Chairman by the County Council and to elect the Vice Chair of Pensions Committee**

3. **Minutes**

(Page 5 )

To confirm the minutes of the meeting held on 2 March 2021

4. **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.

- 5. To receive any items of business which the Chairman decides should be considered as a matter of urgency**
- 6 Administration Report (Page 16 )**  
Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund
- 7 Update from the Pensions Oversight Board (Page 135 )**  
Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund
- 8 Exclusion of the Public (Items 9-15 only)**  

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.

**Comfort break**
- 9 ACCESS Update-Joint Committee Virtual Briefing (Page 149 )**  
Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund
- 10 Risk Register Report (Page 154 )**  
Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund
- 11 NPF Strategic Review Programme: Status Report (Page 161 )**  
Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund
- 12 Procurement of Actuarial, Benefit and Governance Consultancy Services (Page 165 )**  
Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund
- 13 Hymans Quarterly Performance Report (Page 199 )**

- 14 Investment Update** **(Page 225 )**  
Joint Report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund
- 15 Global Equity Review – Further Information**  
Verbal report by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund
- 16 Exempt Minutes** **(Page 276 )**  
To confirm the exempt minutes of the meeting held on 3 March 2021

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

Date Agenda Published: 28 June 2021



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## **Pensions Committee**

### **Minutes of the meeting held on Tuesday 2 March 2021 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
Tim Shaw	Committee Officer

#### **Others Present:**

David Walker	Investment Adviser, Hymans Robertson
Fraser Hope	Hymans Robertson
Peter Baker	Pensions Oversight Board
Brian Wigg	Pensions Oversight Board

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

**1.1** There were no apologies for absence.

#### **2 Minutes**

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

#### **3 Declaration of Interest**

The following declarations of interest were received:

- Cllr Waters declared an “other interest” because his wife was a

member of the scheme.

- Mr Aspin declared an “other interest” because he was a member of the scheme and held investments over £25k with Standard Life and Fidelity.
- Cllr Douglas declared an “other interest” because he was a deferred member of the scheme.

## **4 Matters of Urgent Business**

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

## **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 December 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 - Final Report and Action Plan
- MHCLG and Treasury reform update
- The Pensions Regulator update
- Risk Management
  - Risk Heat Map (at February 2021)
  - Risk Movement by Risk Area
  - Areas of High Risk
- Key Supplier – Change of Ownership
- Norfolk Pension Fund Performance and Membership Data
  - Membership Data
  - Employer Data
  - Key Performance Indicators
  - Annual Data Quality Report
  - Website Data
  - CIPFA Benchmarking
- Service Plan
  - Key projects for 2021 – 24
- Communication
  - With Scheme Members (Annual Newsletter)

- With Employers (Employer Forums, Employer Webinars and Employer Newsletters)
- Norfolk Pension Fund Team
- Accounts and Financial Reporting
  - Financial Year End
  - Employer Financial Reporting Requirements
  - Cash Management Strategy for the Pension Fund – Management of Cash Balances
  - Pension Fund Bank Account
  - Cash held by the Custodian
  - Cash Management Strategy – Approved Counterparties for Dynamic Currency Programme
  - Insight Investment
  - Berenberg Bank
- Monitoring Custodian and Investment Managers Internal Control Reports
- Norfolk Audit Services 2021-22 Audit Plan for the Norfolk Pension Fund
- National LGPS Procurement Frameworks
- Knowledge and Skills
- Admission Agreement
  - St Michaels Family Centre
- 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:

- Stable operational basis maintained
  - Team wellbeing
  - Resourcing and recruitment –including two new members of staff
- Regulatory reform continued apace, incl.
  - Responsible Investment Advisory Group established
  - Good Governance report published
  - £95k cap (paragraphs 3.16 to 3.21 of the report)
- Risk Management update
- Membership and Performance Data
  - 93,734 members (average pension in own right £5,020.39)
  - 400+ employers
  - KPI's – Appendix D provides an update
  - Annual Data Quality report
  - CIPFA Benchmarking £19.97 (club average: £20.00)
  - Service Plan: projects 2021 – 2024 (Appendix G)
- Communications and engagement
  - Members: Prime Time - to be published towards end of the month
  - Employers: Virtual Forum; Webinars; Newsletters

- Team: Regular communications; annual team event
- Accounts and Financial reporting
  - Planning for 2020-21 financial year-end
  - Cash Management Strategy (recommendation)
- Monitoring of Internal Control Update — no issues to bring to the attention of Committee based on the reports produced by investment managers and custodian
- Norfolk Audit Services 2021-22 Audit Plan - Appendix I — represented 80 days of audit work for administration, governance and investment services
- National LGPS Frameworks – new Global Custody Framework live and new Actuarial Framework in progress
- Admission Agreements (Recommendation)
  - St Michael's Family Centre
- In reply to questions it was pointed out that temporary arrangements were in place to cover the work of the vacant senior management post of Head of Frameworks. Preparations were underway to fill the vacancy at the earliest possible opportunity.
- Following HM Treasury's mandatory direction issued on the 12<sup>th</sup> February 2021 to disapply the Public Sector Exit Cap Regulations ("the £95k Cap"), the Norfolk Pension Fund has reverted to paying qualifying scheme members an unreduced pension in accordance with LGPS regulations. This was in accordance with guidance issued by the Scheme Advisory Board and the Local Government Association. This position has been communicated to scheme employers. The Government had not conceded the general principle of an Exit Cap and stated its intention to return to this issue. In light of this announcement, the Norfolk Pension Fund (with Actuarial input) has opted to re-instate locally determined strain factors calculated by the Fund Actuary until such a time as there is further clarification as to HM Treasury's and MHCLG's exit payment reform regulations.
- The Norfolk Pension Fund applied the treasury management and cash management strategies adopted by Norfolk County Council. Questions about whether local credit unions met with the criteria included in these strategies should be addressed to the Executive Director of Finance and Commercial Services after the meeting.
- Information about scams and reminders about cyber security are regularly highlighted by the Norfolk Pension Fund in communications with all stakeholders.

#### **5.4 RESOLVED**

**The Committee agree and note the contents of this report and approve the following items:**

- **Cash management strategies for the management of the**

**Fund's cash balances and dynamic currency programme (paragraphs 8.10 and 8.19 of the report); and**

- **Admission agreement in respect of St Michael's Family Centre (paragraph 13.2 of the 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 4 February 2021.

**6.2** Brian Wigg, the Independent Chair of the POB, said that the POB had received reports on the following issues:

- Updated on current operational issues and regulatory reform
- HEAT employer asset tracker training
- Risk update and heat map
- Climate monitoring and management training

**6.3** It was noted that the POB intended to focus on the following issues in their forward work programme, which they believed would be complimentary to the work of Pensions Committee:

- Pensions Admin Software - implications for scheme members and employers
- New Employer Service
- Cybersecurity

## **6.4 RESOLVED**

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

## **7 Pension Fund Budget 2021-22**

**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.

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

- The Norfolk Pension Fund Budget was set separately from NCC's budget
- Incorporated the Fund's statutory responsibilities and service plan objectives
- The proposed budget for 2021-22 is £3.646m a 5% reduction on the 2020-21 approved budget.
- The proposed budget included the pre-approved organisational changes (staff costs), reprofiled due to recruitment delays as a

result of the COVID-19 pandemic.

- Budgets reflected prudent assumptions for COVID/smarter working.
- The proposed budget included:
  - Norfolk's share of ACCESS Support Unit (ASU) costs
  - Prudent increased provision for external audit fees and the removal of costs for voting services (transferred to Pool)
  - 2 months dual running of old and new administration software systems.
  - Administration software contract savings of £30k pa over life of the contract (5 years contract term)
  - Provision for the re-let of Actuarial and Custody contracts

**7.3** In reply to questions it was noted that external auditors' fees for 2021-22 had yet to be finalised.

**7.4 RESOLVED**

**That the Committee approves the Pension Fund 2021-2022 budget.**

**8 Corporate Governance and Shareholder Engagement Report**

**8.1** The annexed report (8) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund was received.

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

- Six-monthly update on voting and engagement activity by equity managers reported through LINK
- ACCESS Pool Environmental, Social and Corporate Governance (ESG)/Responsible Investment (RI) Update
- Final report on segregated voting activity following completion of the transfer of public equity assets to the ACCESS pool.

**8.3** It was pointed out that the voting arrangements set out in paragraph 1.4 of the report were aimed at enabling investment managers to effectively take up the key ESG engagement issues on behalf of the ACCESS Pool. The review of ACCESS ESG/RI policy was ongoing and would be reported back to the ACCESS Joint Committee (JC) later in the year.

**8.4 RESOLVED**

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

**9 ACCESS Update – Unrestricted Items**

- 9.1** The annexed report (9) 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 13 January 2021.
- 9.2** The Committee's attention was drawn to the following:
- JC approved 2 new ASU posts; Client Manager and ACCESS Support Officer
  - Forecast 2020-21 spend of £0.969m against budget of £1.078m
  - Forecast underspend of £10k per authority
  - 2021-22 Business Plan includes:
    - On-board of remaining liquid assets into the ACCESS Authorised Contractual Scheme (ACS)
    - Creation of illiquid asset pooling structures
    - Development of communications strategy and RI policy
    - Total 2021-22 ASU budget of £1.247m
    - Equivalent to £113k per Authority

**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 held on 8 March 2021.**

**10 Exclusion of the Public Items 11-16 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 – 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.

#### **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, 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.

#### **10.6 Item 14 – Investment Update (including public Equity Review)**

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

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

#### **10.7 Item 15 – Climate Risk Reporting**

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.

**10.8 Item 16 – Exempt Minutes**

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

**10.9 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.

**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 NPF Strategic Review Programme: 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 Norfolk Pension Fund that updated the Pensions 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** The Committee received a detailed booklet and presentation on investment performance (containing exempt information) by Hymans Robertson.
- 13.2** The Investment Advisor summarised the investment performance for the fourth quarter of 2020 which was set out in the report.
- 13.3** **RESOLVED**
- That the Committee note the detailed booklet and the work undertaken by Hymans.**
- 14** **Investment Update (including Public Equity Review)**
- 14.1** The Committee received a report (containing exempt information) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund that dealt with the investment strategy and assets of the Fund. It included the results and recommendations of the review of the public equity allocation that was carried out with Hymans Robertson.
- 14.2** **RESOLVED**
- That the report is noted and a training session about the issues is arranged for Committee Members.**
- 15** **Climate Risk Reporting**
- 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 that updated the Committee on the Fund's participation in Hymans Robertson's pilot project to monitor climate risk in the Fund's public equity portfolio.
- 15.2** **RESOLVED**
- That the Committee note the contents of the report and approve the provision of ongoing reporting from Hymans Robertson with six monthly reporting to the Committee.**
- 16** **Exempt Minutes of the meeting held on 1 December 2020**
- 16.1** The exempt minutes of the meeting held on 1 December 2020 were confirmed by the Committee and signed by the Chair.
- The meeting concluded at 14.30 pm**

**Chair**



# Report to Pensions Committee

Item No. 6

<b>Report title:</b>	<b>Administration Report</b>
<b>Date of meeting:</b>	<b>6 July 2021</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>
<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 March 2021.</p> <p><b>Recommendations</b></p> <p>The Committee is asked to consider and note the contents of this report and approve the following items:</p> <ul style="list-style-type: none"> <li>• <b>5 admission agreements as summarised in item 12 in respect of:</b> <ul style="list-style-type: none"> <li>◦ Aspen Services Ltd (Evolution Trust)</li> <li>◦ Churchill Services (Broadland District Council)</li> <li>◦ Compass Group T/a Chartwells (Diocese of Ely Multi Academy Trust)</li> <li>◦ Compass Group T/a Chartwells (Eastern Multi Academy Trust)</li> <li>◦ Compass Group T/a Chartwells (Stibbard All Saints &amp; North Elmham Primary School)</li> </ul> </li> </ul>	

<u>Item No.</u>	<u>Title</u>	<u>Appendices</u>
<b>1</b>	Background	
<b>2</b>	Coronavirus and Smarter Working	
<b>3</b>	Governance framework for the Norfolk Pension Fund:	
3.1	Governance Statement	Appendix A
3.3	Pensions Oversight Board	
3.5	National Scheme Advisory Board	
3.9	◦ Responsible Investment (RI)	
3.13	◦ Scheme Annual Report	
3.23	◦ MHGLC	
3.26	◦ The Pensions Regulator	
<b>4.</b>	Communication	
4.1	◦ Communication and Customer Care Strategy	Appendix B
4.3	With Scheme Members	
4.4	◦ Annual Benefit Statement for active and deferred members	
4.8	◦ Retired Members Newsletter Primetime	Appendix C
4.10	◦ Retired Member Forum	
4.12	◦ Pensions Increase Notifications	
4.14	◦ P60 End of Year Certificates	
4.16	◦ Printed payslips	
4.18	With Employers	
4.20	◦ Employer Forums	

4.24	○ Employer Webinars	
4.26	○ Employer Newsletter	Appendix D
4.29	Norfolk Pension Fund Team	
5.	Year End	
5.1	○ Scheme Administration Year End	
5.5	○ Financial Year End – Statutory Accounts	
5.14	○ EY Audit Plan for 2020-21	Appendix E
	○ Draft Assurance Letter	Appendix F
5.15	○ Employer Financial Reporting Requirements	
6.	Annual Report Transparency	
7.	Norfolk Audit Services Annual Internal Audit Report for 2020-21 for the Norfolk pension Fund	
7.2	○ The Annual Internal Audit Report	Appendix G
8.	Investment Strategy Statement	
9.	Climate Risk Reporting – Dec 2020	Appendix H
10.	Collaborative Working / Value for Money	
10.1	○ National LGPS Procurement Frameworks	
10.7	○ Framework Outturn	
10.14	○ Norfolk procurement under the National LGPS Frameworks	
10.15	● Global Custody Services	
10.17	● Actuarial, Benefits and Governance Consultancy Services	
11.	Knowledge and Skills	
12.	Admission Agreements	
12.2	○ Aspen Services Ltd (Evolution Trust)	
12.9	○ Churchill Services (Broadland District Council)	
12.16	○ Compass Group T/a Chartwells (Diocese of Ely Multi Academy Trust)	
12.23	○ Compass Group T/a Chartwells (Eastern Multi Academy Trust)	
12.30	○ Compass Group T/a Chartwells (Stibbard All Saints & North Elmham Primary School)	
13.	Update on Bulk Transfer Values in Progress	Appendix I
14.	Freedom of Information Act (FoIA)	
15.	Representation on behalf of the Pension Fund	Appendix J
16.	Norfolk Pension Fund – Pensions Committee Forward Plan	Appendix K
17.	Financial and Other Resource Implications	
18.	Risk Implications/Assessment	
19.	Other Implications (inc. Equality Impact Assessment (EqIA))	
20.	Recommendations	
21.	Background Papers	
	Appendix A - Governance Statement	
	Appendix B – Communication and Customer Care Strategy	
	Appendix C - Retired Members Newsletter	
	Appendix D – Employer Newsletter	
	Appendix E - EY Audit Plan for 2020-21	
	Appendix F – Draft Assurance Letter	
	Appendix G - The Annual Internal Audit Report	
	Appendix H – Climate Risk Reporting – Dec 2020	
	Appendix I - Update on Bulk Transfer Values in Progress	
	Appendix J – Representation on behalf of the Pension Fund	
	Appendix K - Norfolk Pension Fund – 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 March 2021

## **2 Coronavirus and Smarter Working**

- 2.1 The full Norfolk Pension Fund team transitioned to home working on the 23 March 2020. A stable operational basis was established and has been maintained.
- 2.2 Norfolk Pension Fund staff recently participated in the County Council's 'Our Voice, Our Council' staff survey. 82% of Pension Fund staff completed the survey, which included questions on Smarter Working.

The survey results will help inform the County Council's Smarter Working Programme. This programme will shape future working arrangements ensuring that they meet the needs of the service and stakeholders whilst achieving the best possible work/life balance for staff.

The Smarter Working Programme will consider different job types and the locations that people can or need to work from, for example:

  - people who could do their work anywhere are likely to work from a mix of home, office and other places, and can choose where to work on any given day providing it meets the needs of customers and colleagues;
  - people who can't work from home as their home environment isn't suitable will have access to an NCC or partner building.

The County Council intends to publish its Smarter Working practices over the summer. This will help inform the Norfolk Pension Fund's business planning and accommodation requirements going forward.

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

### **3.1 Governance Statement**

- 3.2 It is a regulatory requirement for all LGPS Funds to maintain and publish a Governance Statement. The Norfolk Pension Fund's Governance Statement has been updated and published and a copy of the latest version is at Appendix A.

### **3.3 Pensions Oversight Board**

- 3.4 The report from the Pensions Oversight Board is covered by agenda item 7 at this committee meeting.

### **3.5 National Scheme Advisory Board**

- 3.6 The National Scheme Advisory Board (SAB) met virtually on the 10 May 2021. More information about the work of the Board is available on their [website](#).
- 3.7 Councillor Fuller is a member of the SAB, as a scheme employer representative
- 3.8 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.

### **3.9 Responsible Investment (RI)**

- 3.10 As part of its ongoing Responsible Investment Project, the SAB has established a [Responsible Investment Advisory Group \(RIAG\)](#) and also launched its online [A-Z RI Database](#) resource for LGPS Funds.
- 3.11 The RIAG will act as both an editorial board for future development of the online guidance and as advisers to the SAB and the committee on responsible investment and related matters.

- 3.12 The online resource contains definitions and links to further information on the wide variety of the acronyms, organisations, measures and standards in this area as well as example case studies. The guide will be regularly updated to take account of this fast-developing area.
- 3.13 Scheme Annual Report
- 3.14 The Scheme Advisory Board has published the eighth Annual Report for the LGPS in England and Wales. The report aggregates information from the 89 fund annual reports, as at 31st March 2020.
- 3.15 The LGPS is one of the largest defined benefit (DB) schemes in the world and is the largest DB scheme in England and Wales, with 16,300 employers, 6.2m members and assets of £276bn.
- 3.16 The report highlighted the following for 2020:
- 3.17 • The total membership of the LGPS grew by 261,000 (4.2%) to 6.1m members in 2020 from 5.9m in 2019.
  - 3.18 • The total assets of the LGPS decreased to £276bn (a change of -4.9%). These assets were invested in pooled investment vehicles (68%), public equities (14%), bonds (6%), direct property (3%), as well as other asset classes (9%).
  - 3.19 • The Local Authority return on investment over 2019/2020 was -4.8%. This was reflective of the market conditions during the year and set against the UK Return of -28.3%.
  - 3.20 • The scheme maintained a positive cash-flow position overall, including investment income.
  - 3.21 • Over 1.8m pensioners were paid over the year.
- 3.22 The full annual report can be found on the Scheme Advisory Board website [here](https://lgpsboard.org/index.php/schemedata/scheme-annual-report) : <https://lgpsboard.org/index.php/schemedata/scheme-annual-report>
- 3.23 **MHCLG**
- 3.24 The SAB's Good Governance Final Report recommendations and proposed Action Plan are with MHCLG, and we await further news.
- 3.25 Following DWP's consultation on proposals on climate change risk assessment and reporting, including mandating Task Force on Climate Related Financial Disclosures (TCFD) requirements on trustees, MHCLG are expected to follow suit later this year with their own proposals on how broadly similar reporting requirements should apply within the LGPS.
- 3.26 **The Pensions Regulator**
- 3.27 The Regulator's consultation on a combined Code of Practice has completed. Further clarity on relevance and application in the context of the LGPS would be welcomed before adoption. The SAB may produce an LGPS 'guide' to the combined code if required.
- 4 Communication**
- 4.1 **Communication and Customer Care Strategy**
- 4.2 It is a regulatory requirement for all LGPS Funds to maintain and publish a Communication Strategy. The Norfolk Pension Fund's Communication and Customer Care Strategy has been updated and a copy of the latest version is at Appendix B.
- 4.3 **With Scheme Members**
- 4.4 Annual Benefit Statements for active and deferred members

- 4.5 Preparations are underway for the production and distribution of Annual Benefit Statements.
- 4.6 As last year, and in line with the regulatory requirement, we are working towards making all statements available online by the end of August.
- 4.7 After a competitive tender process, we have awarded the contract for the production and distribution of hard copy statements (incorporated within the annual scheme member newsletter and delivered to home addresses in September) to Adare, who submitted the most economically advantageous proposal that met our quality requirements. We have worked with Adare previously.
- 4.8 Retired Members Newsletter
- 4.9 The annual newsletter for retired members, [Primetime](#), was posted to home addresses at the end of March 2021. A copy of Primetime is at Appendix C.
- 4.10 Retired Member Forum
- 4.11 As a result of the pandemic, and in line with the revised engagement strategy with retired members during the current pandemic, no retired members forum is planned for this year, but an additional Primetime will be published in November.
- 4.12 Pensions Increase Notifications
- 4.13 Pensions increased by 0.5% in April, reflecting the Consumer Price Index (CPI) as at September 2020. This was communicated to retired members via their April payslip.
- 4.14 P60 End of Year Certificates
- 4.15 P60 tax statements were sent to all retired members at the beginning of May.
- 4.16 Printed payslips
- 4.17 As a result of the Pensions Increase or tax changes most retired members were sent a payslip in April and May. (Printed payslips are generally only sent when the pension payment varies, otherwise they are suppressed. All payslip details are available to scheme members via our secure online service).
- 4.18 **With Employers**
- 4.19 We have increased our employer engagement since March 2020 so that we can provide the support our employers need as a result of the pandemic, changing operational scheme requirements and regulatory developments.
- 4.20 Employer Forums
- 4.21 Our next virtual Employer Forum is scheduled for the 8<sup>th</sup> July
- 4.22 The Agenda will include
- An update from Rob Bilton (Hymans Robertson) on the evolving LGPS landscape
  - Overview of developments in Norfolk Pension Fund employer services and administration
  - Ask the Panel Q&A session
- 4.23 All virtual Forum's and Webinars are recorded for those who aren't able to attend real-time.
- 4.24 Employer Webinars
- 4.25 We will continue to arrange Employer Webinars to support employers as necessary.
- 4.26 Employer Newsletters
- 4.27 We published an Employer Newsletter at the end of March (please see Appendix D), which included, amongst other items, information about:



- i-Connect – our new Employer Portal
- Exit Payment Cap update
- Year-end returns
- Employer's Pension Policy requirements
- Lifetime Allowance

4.28 Our next Employers' newsletter will be published at the end of June.

#### 4.29 **Norfolk Pension Fund Team**

4.30 We held our annual team meeting virtually this year, which also allowed us to mark the anniversary of working from home.

4.31 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 **Year End**

### 5.1 **Scheme Administration Year End**

5.2 The Administration Team have worked very closely to support employers with this years' administration year end returns. All employers are completing a return as usual this year, but next year it will no longer be a requirement after the implementation of i-connect.

5.3 The very tight regulatory requirement for Annual Benefit Statement publication by the end of August means that a smooth and timely year end closedown is essential if we are to meet our regulatory obligations.

5.4 Once again, despite the coronavirus, we are grateful to our employers who have provided timely annual returns which are now being processed, ready for calculating and preparing Annual Benefit Statements.

### 5.5 **Financial Year End – Statutory Accounts**

5.6 At the March meeting the Pension Committee received a report setting out the plan and timetable for preparing and approving the Norfolk Pension Fund Annual Report and Accounts. However, since the March meeting the plan and timetable has been revised due to the ongoing challenges as a result of the COVID-19 global pandemic. The table below shows the original timeline reported to Committee and the revised timeline taking into account the changes to MHCLG deadlines for Public inspection and audit opinion.

5.7	Original Timetable	Revised Timetable
NPF Draft Annual Report and Accounts Prepared by NPF	31/05/2021	31/05/2021
Draft Accounts available for Public inspection	31/05/2021	On or before 1 <sup>st</sup> Working day of August 2021
External Audit	Early June	14th June 2021
Audit Opinion issued following Audit Committee	Early Autumn	14/10/2021
Publication Date	01/12/2021	15/10/2021

5.8 In the light of the changes to the timetable above, the final draft Annual Report and Accounts along with the Ernst and Young (EY) ISA 260 Report (report to those changed with governance) and the letter of representation will be presented to the October Pensions Committee

5.9 The preparation of the Pension Fund Annual Report and Accounts is a requirement of the Local Government Pension Scheme Regulations, which also prescribe certain

items for inclusion. The regulations require that an annual report is published by the Fund by 1st December following the year-end.

- 5.10 The Pension Fund Accounts are prepared in accordance with guidance published by the Chartered Institute of Public Finance and Accountancy (CIPFA) using the CIPFA example accounts and disclosure checklist, and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21 governing the preparation of the 2020-21 financial statements for Local Government Pension Scheme funds.
- 5.11 The Pension Fund accounts are also included within the Statement of Accounts of Norfolk County Council as Administering Authority of the Norfolk Pension Fund.
- 5.12 The Pension Fund has submitted its draft financial accounts to the Executive Director of Finance and Commercial Services for sign off. The Fund has used estimated 31st March 2021 valuations in the accounts as is standard practice during the draft accounts stage. The Fund has not made any reductions to asset values due to the ongoing COVID-19 global pandemic and during the 2020-21 financial year the financial markets saw a significant recovery across all asset classes.
- 5.13 In previous years the Fund has not been in receipt of the actual valuations prior to final publication of the accounts on 31st July, and therefore not been able to make an adjustment according to materiality thresholds. However due the extended MHCLG reporting and auditing period for this financial year it is likely actual valuations will be available. These valuations will be considered alongside the estimated values and in accordance with the materiality thresholds set out by the external auditors.
- 5.14 The Fund is subject to separate external audit engagement and for the past nine years EY have audited the Fund. As part of the engagement, EY review their approach to auditing the Fund on an annual basis. A copy of the EY audit plan for 2020-21 is attached at Appendix E. Following a review by the engagement Partner, EY have again decided it would be appropriate to approach the Chair of Pensions Committee to gain assurance on Fund governance arrangements rather than just approaching the Chair of Audit Committee. A copy of the draft assurance letter from the Pension Committee to EY is attached at Appendix F. The audit of the draft accounts commenced on the 14<sup>th</sup> June.
- 5.15 **Employer Financial Reporting Requirements**
- 5.16 The Fund has also worked with the Actuary to prepare, check and review financial reporting (IAS19/FRS102) of pension obligations and costs for the 30 Fund employers with a financial year-end of 31 March 2021. The checks undertaken by the Fund form part of the assurance regime for E&Y where they are the appointed auditor to the employer.
- 5.17 31 March is now the second largest of the employer financial reporting dates for the Fund. Exercises are also conducted at 31 July, 31 August and 31 December. The August exercise in particular has grown significantly as many more schools gain academy status, which brings with it a requirement to report and consider their individual pension positions.
- 5.18 In addition to the work with E&Y the Fund has been involved in providing significant additional assurance work for the auditors of several other employers reporting at 31 March 2021. We have also worked with the Fund Actuary to provide support for one group wishing to adopt their own financial assumptions for the reporting process.

## **6 Annual Report - Transparency**

- 6.1 Transparency - As part of the revised statutory guidance issued by CIPFA the Fund is required to disclose in its annual report details of costs incurred in managing the underlying assets as part of the transparency cost agenda. The transparency data

reported in the annual report should be seen as management information detailing the actual costs of investing in the assets. This data is different to the financial accounting data included in the accounts which is reported using accounting standards.

- 6.2 Below are details of the Funds investment managers showing sign up to the current transparency cost code and whether they have submitted a 2020-21 template or transparency data for inclusion in the annual report.

6.3	Signed up to Current Code	Current Templates/data Received
Aberdeen Standard Investments	Y	N
AVIVA Investors	Y	N*
Berenberg Bank	N	Y
Capital International Limited	Y	Y
Equitix	N	Y
Goldman Sachs Asset Management	Y	Y
HarbourVest Partners	Y	N
Insight Investment Management	Y	Y
Janus Henderson Investors	Y	Y
J.P. Morgan Asset Management	Y	Y
La Salle Investment Management	N	Y
Link Asset Services	Y	Y
M&G Investments	Y	Y
Mondrian	Y	Y
Pantheon	Y	N
Stafford	Y	Y
UBS	Y	Y

\*AVIVA template due September 2021.

- 6.4 Existing Code signatories are encouraged to make use of the new templates as soon as possible and upload them for Funds to use via the new Byhiras web portal.
- 6.5 The Fund has written to all its Investment Managers encouraging them (if not signed up to the Code already) to become signatories and utilise the new templates in their reporting.

## **7 Norfolk Audit Services Annual Internal Audit Report for 2020-21 for the Norfolk Pension Fund**

- 7.1 Norfolk Audit Services is responsible for the internal audit of the Norfolk Pension Fund. This report supports the Pensions Committee in providing evidence of compliance with the Pension Fund's objectives, rules and procedures and that it meets relevant regulatory requirements.
- 7.2 The Annual Internal Audit Report appears at Appendix G. A key message included in the report is that the adequacy and effectiveness of the system of internal control including the arrangements of the management of risk within the Pension Fund is "Acceptable" and is therefore considered sound.
- 7.3 The Pension Fund relies on some systems provided by the County Council as host to the fund. The Council's own Internal Audit Plan contained audits that covered areas of the Council that are used by Norfolk Pension Fund, such as IT asset inventory and disposals, credit control and expenses. Those audits are reported separately to the County Council's Audit Committee. Together, these completed audits provide

assurance on the adequacy and effectiveness of internal controls for the Pension Fund.

- 7.4 For context the Council and the Pension Fund had unqualified External Audit Opinions and clear Annual Governance Reports for 2019-20. The external audit for 2020-21 has not been completed yet.
- 7.5 The report attached at Appendix G also comments briefly on the adequacy and effectiveness of the arrangements for anti-fraud and corruption.
- 7.6 The forward internal audit plan for 2021-22 has been prepared on a risk assessed basis in consultation with the Director of Norfolk Pension Fund and has been considered by the Executive Director of Finance and Commercial services and the External Auditor. The plan is based on the model recommended for Pension Funds by the Society of County Treasurers (SCT) and covers the key areas: Governance and Strategy; and Pensions Administration and Investments. It also takes account of the significant changes taking place for Pensions Funds and the associated risks and controls. The plan has been benchmarked against other Local Authority plans and we are satisfied with the level of proposed coverage. The forward plan was included in the Norfolk Pension Fund Administration report and approved by the Pensions Committee at its meeting in March 2021. Delivery of this plan may be affected by the restrictions in place due to the ongoing Covid-19 pandemic. However, we are working with our Norfolk Pension Fund colleagues to understand what audit assurance work we can undertake remotely and what, on a risk assessed basis, may have to wait until such time that social distancing measures are reduced to enable audit work that cannot be carried out remotely to be resumed. Additionally, we will consider any new risks to the fund that may emerge as a result of the ongoing Covid-19 pandemic and will propose assurance work around this as relevant. This will be through our planned liaison meetings with the Pension Fund. Any changes to the audit plan will be agreed with the Executive Director of Finance and Commercial services and the Director of the Norfolk Pension Fund and reported to the Committee.
- 7.7 The Pensions Committee are asked to consider and agree the key messages below, that are detailed in the Annual Internal Audit Report (Appendix G), that the work and assurance meet their requirements and advise if further information is required.
- 7.8 The key messages are that:
- Based on an analysis of the audit work carried out and reports issued, the Executive Director of Finance and Commercial Services can assure the Committee that the adequacy and effectiveness of the systems of internal control including the arrangements for the management of risk during 2020-21 was acceptable and is therefore considered sound.
  - Internal audit was adequate and effective during 2020-21 for the purpose of the latest regulations and standards.
  - The work of Norfolk Audit services (NAS) for the year and the assurance provided assists the Committee to reasonably assess the risk that the Financial Statements are not materially mis-stated due to fraud. The risks of Fraud and Corruption have been reviewed and planning and resources are considered adequate.
  - The internal audit function continues to comply with “The Accounts and Audit (England) Regulations 2015 (as amended by the Accounts and Audit (Coronavirus) Amendments Regulations 2020, and Public Sector Internal Audit Standards PSIAS.
- 7.9 Internal Audit’s role is to ensure that there is evidence of compliance with the Pension Funds objectives, rules and procedures. Where such compliance does not exist, internal audit makes recommendations to ensure that proper controls are in place. Some audits carried out are based on the perceived risk to the Pension Fund as

assessed using the internal audit risk model, whilst others are requested by the Pension Fund.

- 7.10 The approach NAS takes to its role is set out in its own Terms of Reference, Code of Ethics and Strategy, as approved by the County Council's Audit Committee.
- 7.11 A sound internal audit function helps ensure that there is an independent examination, evaluation and reporting of an opinion on the adequacy and effectiveness of internal control and risk management as a contribution to the proper, economic, efficient and effective use of resources and the delivery of the Pension Funds objectives.
- 7.12 The Internal Audit team, as part of the system of internal control, has provided an effective, efficient and economic function during the year, supporting Pension Committee, the Pension Fund Management Team and the service.

## **8 Investment Strategy Statement (ISS)**

- 8.1 The ISS has been updated. This is dealt with in item 14.
- 8.2 The changes are in respect of benchmark descriptions, climate risk reporting and updates required to reflect the full transfer of public equity assets to the ACCESS pool.

## **9 Climate Risk Reporting – Dec 2020**

- 9.1 As discussed at the last Committee we have now developed a short document for publication providing the high-level metrics on the climate risk reporting that the Fund will now undertake every six months and was undertaken for the first time at 31 December 2020.
- 9.2 The document is provided at Appendix H and has been published on the website.
- 9.3 The next climate risk reporting will be at 30 June 2021 and will be reported to the next meeting of Pensions Committee.

## **10 Collaborative Working / Value for Money**

### **10.1 National LGPS Procurement Frameworks**

- 10.2 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).
- 10.3 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.
- 10.4 The Global Custody Services Framework procurement was launched in February 2021. (This is the second iteration of a Global Custody Service Framework)
- 10.5 An Actuarial, Benefits and Governance Consultancy Services Framework will become live in July 2021. This is the third iteration of this framework.
- 10.6 Work has started on a new Stewardship Framework, with the support of the SAB's RIAG, which will replace the current framework; and work on a new Third-party administration framework is just starting.
- 10.7 Framework Outturn

- 10.8 The 2020-21 outturn position which is separate from Pension Fund Accounts is reported to Committee and is shown in the table below.
- 10.9 The total surplus for 2020-21 of -£1,212,974 has increased by -£343,947 from the 2019-20 outturn of -£869,027. The increase has occurred mainly due to the following movements:
- 10.10 • Lower than estimated expenditure in respect of posts held vacant.
  - 10.11 • Higher than estimated income in respect of rebates generated from suppliers as a result of increased call off spend by Funds and Pools.
  - 10.12 • Additional joiner fees as a result of a focused communications strategy promoting the benefits and services available with Funds, Pools and Suppliers.

10.13		2020-21 Actual Outturn £
	Actuarial Consultancy one, two and three	-581,369
	Custodian Consultancy one and two	-54,098
	Member Data Verification	9,003
	ESG Services one and two	-22,570
	Investment Consultancy one, two and three	-323,221
	Legal Services one and two	-5,091
	Investment Management Cost & Performance Monitoring & Reporting one and two	-14
	Passive Investment one and two	-94,654
	Pensions Administration Software	-80,614
	Third Party Administration one and two	-37,904
	Transition Consultancy one and two	-21,500
	Framework Development & Promotion	-942
	<b>Total</b>	<b>-1,212,974</b>

#### 10.14 **Norfolk Procurement under the National LGPS Frameworks**

##### 10.15 Global Custody Services

- 10.16 Along with 7 other ACCESS Funds, Norfolk participated in a joint procurement further competition exercise to award a new contract for global custodian services.

##### 10.17 Actuarial, Benefits and Governance Consultancy Services

- 10.18 The Norfolk Pension Fund will use the National LGPS Framework to procure services for the end of the current actuarial contract. This is covered in more detail under Item 12 on the agenda.

## 11 **Knowledge and Skills**

- 11.1 There is an ongoing requirement for members of the Pensions Committee to demonstrate a level of knowledge commensurate with the decisions they are making.
- 11.2 Members of Pensions Committee, POB and Fund Officers attended a training day on 15 June.
- 11.3 Details of training events, conferences and webinars that may be of interest are shared with members of Pensions Committee and the Pensions Oversight Board; and training records are being maintained. Further information on resources and forthcoming events was shared with Committee and Board members after the 15 June training day.

- 11.4 The Fund has purchased 20 licences for the LGPS online learning academy to support Committee and Board and Officers gain and maintain their knowledge.
- 11.5 'Spotlight' sessions are being delivered to help build knowledge and share understanding between the different specialist service areas within the Norfolk Pension Fund team.

## **12 Admission Agreements**

- 12.1 There are 5 admission agreements for the Committee to approve;
- 12.2 **Admission Agreement – Aspen Services Ltd (Evolution Trust)**
- 12.3 We have received application for a new admission agreement from the catering contractor Aspen Services Limited, as they onboard a new contract win.
- 12.4 The admission application is in respect of a catering contract with Evolution Trust at the sites of Bignold Primary, Angel Road Infants and Angel Road Juniors commencing 2 November 2020 for a contract length of 3 years with a possible extension of 2 years.
- 12.5 The admission agreement will cover four 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.
- 12.6 The Scheme Employer (Evolution Trust) will be party to the admission agreement.
- 12.7 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.
- 12.8 The legal agreements will be sealed under Chief Officer powers by the Director of Finance & Commercial Services.
- 12.9 **Admission Agreement – Churchill Services (Broadland District Council)**
- 12.10 We have received application for a new admission agreement from the cleaning contractor Churchills, as they onboard a new contract win.
- 12.11 The admission application is in respect of a cleaning contract with Broadland District council commencing 1 June 2021 for a contract length of 3 years with a possible extension of 2 years.
- 12.12 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.
- 12.13 The Scheme Employer (Broadland District Council) will be party to the admission agreement.
- 12.14 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.
- 12.15 The legal agreements will be sealed under Chief Officer powers by the Director of Finance & Commercial Services.
- 12.16 **Admission Agreement – Compass Group T/a Chartwells (Diocese of Ely Multi Academy Trust)**
- 12.17 We have received application for a new admission agreement from the catering contractor Compass Group (T/a Chartwells), as they onboard a new contract win.

- 12.18 The admission application is in respect of a catering contract with Diocese of Ely Multi Academy Trust which commenced 23 April 2019 for a contract length of 3 years with a possible extension of 2 years.
- 12.19 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.
- 12.20 The Scheme Employer (Diocese of Ely Multi Academy Trust) will be party to the admission agreement.
- 12.21 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.
- 12.22 The legal agreements will be sealed under Chief Officer powers by the Director of Finance & Commercial Services.
- 12.23 **Admission Agreement – Compass Group T/a Chartwells (Eastern Multi Academy Trust)**
- 12.24 We have received application for a new admission agreement from the catering contractor Compass Group (T/a Chartwells), as they onboard a new contract win.
- 12.25 The admission application is in respect of a catering contract with Eastern Multi Academy Trust which commenced 1 September 2019 for a contract length of 5 years.
- 12.26 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.
- 12.27 The Scheme Employer (Eastern Multi Academy Trust) will be party to the admission agreement.
- 12.28 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.
- 12.29 The legal agreements will be sealed under Chief Officer powers by the Director of Finance & Commercial Services.
- 12.30 **Admission Agreement – Compass Group T/a Chartwells (Stibbard All Saints & North Elmham Primary School)**
- 12.31 We have received application for a new admission agreement from the catering contractor Compass Group (T/a Chartwells), as they onboard a new contract win.
- 12.32 The admission application is in respect of a catering contract with Stibbard All Saints & North Elmham Primary School which commenced 1 November 2020 for a contract length of 3 years and thereafter as drafted continues until either party serves the other with clear 1 academic term’s notice.
- 12.33 The admission agreement will cover three 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.
- 12.34 The Scheme Employer(Norfolk County Council as this is not an Academy) will be party to the admission agreement.
- 12.35 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.
- 12.36 The legal agreements will be sealed under Chief Officer powers by the Director of Finance & Commercial Services.



### 13 Update on Bulk Transfer Values in Progress

13.1 Please see Appendix I for Bulk Transfer Values in progress.

### 14 Freedom of Information Act (FoIA)

14.1 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.

14.2

Requester/ENQ Reference	Details	Date Received	Action
Pension Mandate ENQ-481323-G0D7H7	Information on procurement platforms/do we publish tender announcements on website. Information on investment manager searches in the past six months/ plans to initiate searches in the next six months/ any active/ongoing	21/05/2021	Responded
Pitchbooks ENQ-480265-J8G6L9	Q4 2020 performance data for alternative asset holdings	17/05/2021	Responded
Cobalt Software ENQ-479725-Z6Z7W3	Private equity and property performance reports for Q4 2020	13/05/2021	Responded
Preqin Ltd ENQ-479360-M1T2F7	Commitment, Contribution, Distribution, Value and IRR for Q4 2020	12/05/2021	Responded
Bloomberg ENQ-473549-L2N4Q0	Copies of alternative investment portfolio records for close-ended funds with aggregated values since inception for Q3 2020 Q4 2020	15/04/2021	Responded
Altman ENQ-471120-K6G7M4	Cash-flow reports from Q3 2020 of all private capital investments	31/03/2021	Responded
Insightia ENQ-467541-L5M1S8	Latest portfolio holdings of the Norfolk Pension Fund	15/03/2021	Responded
Simon Bond ENQ-464252-C3G4D6	Investment performance over one, three and five years to the end of March 2020	02/03/2021	Responded
Pitchbook ENQ-461229-F3T9V5	Q3 2020 performance data for alternative asset holdings	17/02/2021	Responded

### 15 Representation on behalf of the Pension Fund

15.1 Please see Appendix J for meetings and events which have taken place since the last Pension Committee.

### 16 Norfolk Pension Fund – Pensions Committee Forward Plan

16.1 The rolling one-year Pensions Committee Forward Plan is attached at Appendix K.

## **17 Financial and Other Resource Implications**

- 17.1 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.

## **18 Risk Implications/Assessment**

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

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

- 19.1 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.
- 19.2 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.

## **20 Recommendations**

- 20.1 The Committee is asked to consider and note the contents of this report and approve the following items: **5 admission agreements as summarised in item 12 in respect of:**
- Aspen Services Ltd (Evolution Trust)
  - Churchill Services (Broadland District Council)
  - Compass Group T/a Chartwells (Diocese of Ely Multi Academy Trust)
  - Compass Group T/a Chartwells (Eastern Multi Academy Trust)
  - Compass Group T/a Chartwells (Stibbard All Saints & North Elmham Primary School)

## **21 Background Papers**

Appendix A - Governance Statement  
Appendix B – Communication and Customer Care Strategy  
Appendix C - Retired Members Newsletter  
Appendix D – Employer Newsletter  
Appendix E - EY Audit Plan for 2020-21  
Appendix F – Draft Assurance Letter  
Appendix G - The Annual Internal Audit Report  
Appendix H – Climate Risk Reporting Disclosure – Dec 2020  
Appendix I - Update on Bulk Transfer Values in Progress  
Appendix J – Representation on behalf of the Pension Fund  
Appendix K - Norfolk Pension Fund – Pensions Committee Forward Plan

## **Officer Contact**

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

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# **Governance Strategy Statement**

**This document sets out the  
governance arrangements  
for the  
Norfolk Pension Fund  
as at June 2021**



## Administering Authority

Norfolk County Council (NCC) is the **Administering Authority** of the Norfolk Pension Fund and administers the Local Government Pension Scheme (LGPS) on behalf of participating employers and scheme members.

- Norfolk County Council has delegated its pensions functions to the **Pensions Committee**
- Norfolk County Council has delegated responsibility for the administration and financial accounting of the Norfolk Pension Fund to the **Executive Director of Finance and Commercial Services**
- The **Norfolk Pension Fund Pensions Oversight Board** acts as the **Local Pension Board** for the Norfolk Pension Fund

## Pensions Committee

The Pensions Committee is responsible for the strategic management of the assets of the Fund and the administration of benefits. The Pensions Committee meets quarterly in order to:

- Ensure compliance with legislation and best practice
- Determine policy for the investment, funding and administration of the Fund
- Monitor performance across all aspects of the service
- Consider issues arising and make decisions to secure efficient and effective performance and service delivery
- Appoint and monitor advisors
- Ensure that arrangements are in place for consultation with stakeholders as necessary



## Pensions Committee Trustees\*

- The Pensions Committee act as Trustees and oversee the management of the Norfolk Pension Fund
- As Trustees, their overriding duty is to ensure the best possible outcomes for the Pension Fund, its participating employers and scheme members
- Their knowledge is supplemented by professional advice from Pension Fund staff, professional advisers and external experts
- To meet the requirements set out by the Pensions Regulator's Code of Practice, Trustees need a certain level of expertise. An ongoing programme of trustee training is delivered and no substitutions are allowed at Committee

## Pensions Committee Membership

There are eight members of the Pensions Committee:

<b>Chairman</b>	Norfolk County Councillor	Judy Oliver
	Norfolk County Councillor	William Richmond
	Norfolk County Councillor	Daniel Roper
	Norfolk County Councillor	Robert Savage
	Norfolk County Councillor	Martin Storey
<b>Vice-Chairman</b>	District Councillor (elected by the Local Government Association)	Alan Waters
	District Councillor (elected by the Local Government Association)	John Fuller
	Staff Representative	Steve Aspin
	Observer**	Open to all participating employers
<b>Other attendees</b>	Administrator of the Fund (NCC Executive Director of Finance and Commercial Services)	Simon George
	Director of the Norfolk Pension Fund	Glenn Cossey
	Investment Advisor to the Fund	David Walker
	(Hymans Robertson)	

\* Pensions Committee members act as Trustees but do not have legal status as Trustees.

\*\* The observer seat is not currently part of the formal Constitution and does not have voting rights. However, the observer seat is an equal member of the Committee in all other ways, with access to all Committee papers, officers, meetings and training, along with the opportunity to contribute to the decision making process.

## Local Pension Board

In line with all public service pension schemes, each Local Government Pension Scheme (LGPS) Fund is required to have a Local Pension Board.

The Local Pension Board for the Norfolk Pension Fund is called the **Norfolk Pension Fund Pensions Oversight Board**.

## Role of the Pensions Oversight Board

The role of the **Pensions Oversight Board**, as defined by Regulation 106 of the Local Government Pension Scheme Regulations 2013, (“the Regulations”) is to:

- Assist the **Administering Authority** to secure compliance with:
  - the Regulations and any other legislation relating to the governance and administration of the Local Government Pension Scheme (LGPS);
  - requirements imposed in relation to the LGPS by the Pensions Regulator (tPR); and
  - such other matters as the LGPS regulations may specify
- Assist the **Administering Authority** to ensure the effective and efficient governance and administration of the Norfolk Pension Fund
- Provide the **Administering Authority** with such information as it requires ensuring that any member of the **Pensions Oversight Board** or person to be appointed to the **Pensions Oversight Board** does not have a conflict of interest

The **Pensions Oversight Board** also helps ensure that the Norfolk Pension Fund is managed and administered effectively and efficiently and complies with the Code of Practice on the governance and administration of public service pension schemes issued by The Pensions Regulator.

The creation of the **Pensions Oversight Board** does not change the core role of the **Administering Authority** nor the way it delegates its pension functions to the **Pensions Committee**. The **Pensions Oversight Board** does not replace the **Administering Authority** nor make decisions which are the responsibility of the **Administering Authority** under both the Regulations and other relevant legislation.

The **Pensions Oversight Board** only has the power to oversee decisions made by the **Administering Authority** and to make recommendations to improve the efficient and effective administration and governance of the pensions function, including funding and investments.

The full **Terms of Reference** for the **Pensions Oversight Board** are on the Norfolk Pension Fund website at [www.norfolkpensionsfund.org](http://www.norfolkpensionsfund.org).

## Pensions Oversight Board Membership

The **Pensions Oversight Board** has an equal number of scheme member and scheme employer representatives (three of each), along with an Independent Chairman:

<b>Independent Chair</b>	Brian Wigg
<b>Scheme Member Representative</b>	John Harries Active/deferred member
<b>Scheme Member Representative</b>	Peter Baker Pensioner member
<b>Scheme Member Representative</b>	Rachel Farmer Trade union
<b>Scheme Employer Representative</b>	Cllr Chris Walker, Poringland Parish Council Levying/precepting employer
<b>Scheme Employer Representative</b>	Howard Nelson, Diocese of Norwich Education and Academies Trust Non-levying/precepting employer
<b>Scheme Employer Representative</b>	Debbie Beck, Norfolk County Council

**Pensions Oversight Board** members comply with the Norfolk Pension Fund training policy, and training opportunities are as far as possible are shared with the **Pensions Committee**.

Each member of the **Pensions Oversight Board** is responsible for complying with the knowledge and understanding requirements of section 248A of the Pensions Act 2004.

## Pensions Oversight Board Meetings

There are at least two **Pensions Oversight Board** meetings a year and it normally meets quarterly.

Papers, agendas and minutes of these meetings are published on the Norfolk Pension Fund website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org).

In addition, the **Pensions Oversight Board** produce an annual report in accordance with any regulatory requirements.

## Executive Director of Finance and Commercial Services

- The **Executive Director of Finance and Commercial Services** is Norfolk County Council's Chief Finance Officer and Section 151 Officer
- As Administrator of the Fund he is responsible for:
  - The administration and financial accounting of the Fund
  - The preparation of the Pension Fund Annual Statement of Accounts

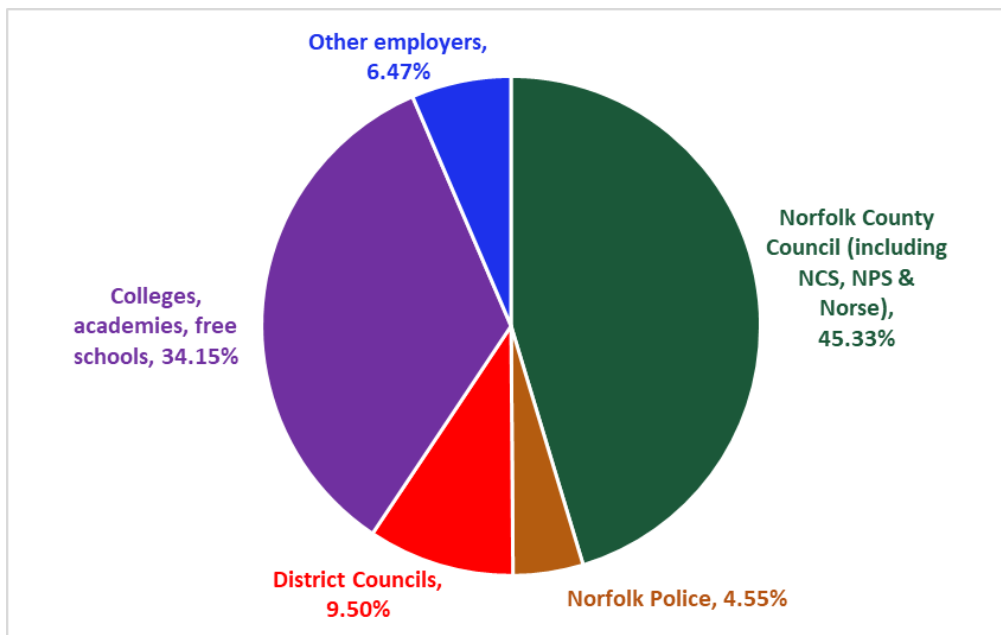
## Legislation and Regulations

- The Norfolk Pension Fund administers the Local Government Pension Scheme (LGPS) in Norfolk and is governed by the:
  - Local Government Pension Scheme Regulations 2013
  - Local Government Pension Scheme (Miscellaneous Amendments) Regulations 2014
  - Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014
  - Local Government Pension Scheme (Amendment) Regulations 2015
  - Local Government Pension Scheme (Management and Investment of funds) Regulations 2009, and subsequent amendments
- **Pensions Committee** is governed by Norfolk County Council's procedural rules under the Council's Constitution. The Committee's **Terms of Reference** are:
  - "To administer all aspects of the Norfolk Pension Fund on behalf of Norfolk County Council as Administering Authority of the Local Government Pension Scheme, and on behalf of Norfolk County Council as an employer within the scheme alongside all other contributing employers, and on behalf of all scheme beneficiaries (scheme members) including:
    - Functions relating to local government pensions etc under regulations made under Sections 7, 12 and 24 of the Superannuation Act 1972
    - To receive and consider the draft Financial Statements for the Norfolk Pension Fund
    - To comment on the draft Financial Statements and make a recommendation to the Audit Committee that they be approved/not approved"
- Financial affairs are conducted in compliance with Norfolk County Council's Financial Regulations
- Funds are invested in compliance with the Norfolk Pension Fund's Investment Strategy Statement



# Membership of the Fund and Local Accountability

Active Membership Breakdown by Employer as at 31 March 2021



## Local Accountability - Representation

### Employers

- Employers are directly represented on Pensions Committee and the Pensions Oversight Board
- All employers are invited to regular Employer Forums and the Annual Meeting

### Scheme Members

- Scheme Members are directly represented on Pensions Committee and the Pensions Oversight Board
- All active and deferred scheme members are invited to the Annual Meeting and Pensions Clinics; retired members receive two annual newsletters and are directly represented on the Pensions Oversight Board

## Membership as at 31 March 2021

**425 Contributing Employers**

**27,370 Pensioners**

(members in receipt of a pension from the Fund)

**30,257 Active Members**

(members who are currently in the employment of a participating employer)

**37,106 Deferred members**

(members who have left the employment of a participating employer, but who are not yet in receipt of their pension)

## Local Accountability - Transparency

- The Fund is committed to providing clear, relevant, accessible and timely information to all stakeholders
- How it does this is set out in the annually updated Customer Care and Communication Strategy Statement. This is on our website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)
- Pensions Committee reports, agendas and minutes are published on the Norfolk County Council website at [www.norfolk.gov.uk](http://www.norfolk.gov.uk)
- Pensions Committee meetings are open to the public
- Pensions Oversight Board reports, agendas and minutes are published on the Norfolk Pension Fund website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)
- The Annual Pension Fund Report and Accounts, reporting on the activities and investment performance of the Fund, and including the Pensions Oversight Board annual report, are on our website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)
- Payments over £500 are published on the Norfolk County Council website at <https://www.norfolk.gov.uk/what-we-do-and-how-we-work/open-data-fois-and-data-protection/open-data/payments-to-suppliers>
- Extracts from the Annual Report and a signpost to the whole document are included in the Annual Benefit Statement sent to all scheme members, and in Primetime, the annual magazine sent to all retired members
- All scheme members and employers are invited to an Annual Meeting
- All employers and members of the Pensions Committee and Pensions Oversight Board are invited to our Employer Forums. These are an opportunity for employers to discuss matters of interest to their organisations with officers and members

## ACCESS Investment Pool

The Norfolk Pension Fund participates in ACCESS (A Collaboration of Central, Eastern and Southern Shires), an investment asset pool of eleven Administering Authorities within the Local Government Pension Scheme (LGPS).

The ACCESS authorities have signed an Inter Authority Agreement which established a Joint Committee at which the Chair from each Administering Authority Section 101 Committee ('Pensions Committee') is represented.

The Norfolk Pension Fund Pensions Committee and Pensions Oversight Board are regularly updated and review the work of the Joint Committee and the Operator, and ACCESS investment performance.

More information can be found on the ACCESS website at [www.accesspool.org](http://www.accesspool.org).

**Norfolk Pension Fund**

**County Hall**

**Martineau Lane**

**Norwich**

**NR1 2DH**

**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)**



## **Customer Care and Communication Strategy Statement June 2021**

**The **Norfolk Pension Fund**  
is committed to delivering  
a consistently high level of  
performance and customer service.**

**Good communication is core  
to this commitment.**

**This document sets out how  
we do this.**

**Please note**, to comply with COVID-19 restrictions we have made  
changes to some of our communication activities.



# Customer Care and Communication Strategy Statement

This Customer Care and Communication Strategy Statement aims to ensure that the Norfolk Pension Fund:

- provides clear, relevant, accurate, accessible and timely information
- listens, considers and responds appropriately to communication we receive
- uses plain English wherever possible, and avoids unnecessary jargon
- uses communication channels which best fit the audience and the information being passed on

Communication is 'to share or exchange

## Our Core Customer Care Standards

- To answer the telephone within 15 seconds, and respond to enquiries within five working days
- To respond to letters and faxes within five working days
- To respond to email or text phone enquiries within three working days
- To meet visitors within five minutes of appointment time (because of COVID-19 restrictions we are currently unable to receive visitors at our office)

## Who are we in regular communication with?

- Pensions Committee (The Trustees)
- Pensions Oversight Board
- Participating employers
- Scheme members
- Prospective members
- Scheme member representatives
- Norfolk Pension Fund staff
- Other bodies, including
  - Investment managers
  - The media
  - Actuaries
  - Other pension funds
  - Ministry of Housing, Communities and Local Government (MHCLG) and The Pensions Regulator (regulators of the scheme)

## How does the Norfolk Pension Fund communicate?

When deciding how to communicate, we consider the audience, the message and the cost to the Fund.

We want to get our messages over and to make ourselves available to hear queries, opinions and concerns.

Usually we make use of telephone, email, surface mail, internet, social media and paper publications. However, face-to-face conversations and meetings, seminars, road shows, attendance at conferences and other forums are not currently possible because of COVID-19 restrictions.

Our website meets accessibility guidelines and our Accessibility Statement can be found at [www.norfolkpensionfund.org/accessibility-statement/](http://www.norfolkpensionfund.org/accessibility-statement/).

## Data Protection Statement

Norfolk County Council on behalf of Norfolk Pension Fund is a Data Controller under the General Data Protection Regulations. This means we store, hold and manage your personal data in line with statutory requirements to enable us to provide you with pension administration services. To enable us to carry out our statutory duty, we are required to share your information with certain bodies, but will only do so in limited circumstances. For more information about how we hold your data, who we share it with and what rights you have to request information from the Fund, please visit [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org).

## Pension Committee Trustees

**The Pensions Committee act as trustees and oversee the management of the Norfolk Pension Fund.** The Members of the Committee are committed to ensuring the best possible outcomes for the Norfolk Pension Fund, its participating employers and scheme members. Their knowledge is supplemented by professional advice from Norfolk Pension Fund staff, professional advisers and external experts.

### The Trustees

#### Norfolk County Councillors

Judy Oliver (Chairman)

William Richmond

Daniel Roper

Robert Savage

Martin Storey

#### District County Councillors

John Fuller

Alan Waters (Vice Chairman)

#### Staff representative

Steve Aspin



## Sharing information

### Committee Meetings

The Pension Committee meets quarterly, to consider all investment and administration (the calculation and payment of benefits) issues related to the Norfolk Pension Fund. It monitors performance, discusses significant issues and makes all decisions related to the Fund. The Executive Director of Finance and Commercial Services, Norfolk Pension Fund staff and other professional advisors prepare reports, briefings and make recommendations for the Committee to consider and act upon.

### Observers

People who would like to see the Pensions Committee in action can view meetings on the Norfolk County Council Democratic Services [www.youtube.com](https://www.youtube.com) channel.

### Internet

Pensions Committee reports, agendas and minutes are available via the Norfolk County Council internet and intranet sites at [www.norfolk.gov.uk](http://www.norfolk.gov.uk) under **Council and Democracy** then **Meetings**.

## Pensions Oversight Board

The Pensions Oversight Board helps ensure that the Norfolk Pension Fund continues to be well run and properly managed. The purpose of the Board is to assist Pensions Committee and Officers with responsibilities for managing the Norfolk Pension Fund by helping to:

- Secure compliance with the Regulations, any other legislation relating to the governance and administration of the scheme, and requirements imposed by The Pensions Regulator in relation to the scheme and;
- Ensure the effective and efficient governance and administration of the scheme

The full **Terms of Reference** for the **Pensions Oversight Board** are on the Norfolk Pension Fund website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org).

## Board Members

<b>Independent Chair</b>	Brian Wigg
<b>Scheme Member Representative</b>	John Harries (Active/Deferred member)
<b>Scheme Member Representative</b>	Peter Baker (Pensioner member)
<b>Scheme Member Representative</b>	Rachel Farmer (Trade Union)
<b>Scheme Employer Representative</b>	Cllr Chris Walker, Poringland Parish Council (Levying/precepting employers)
<b>Scheme Employer Representative</b>	Howard Nelson, Diocese of Norwich Education and Academies Trust (Non levying/precepting employers)
<b>Scheme Employer Representative</b>	Debbie Beck, Norfolk County Council

## Sharing information

There are at least two **Pensions Oversight Board** meetings a year. Papers, agendas and minutes of these meetings are published on the Norfolk Pension Fund website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org).

In addition, the **Pensions Oversight Board** produce an annual report in accordance with any regulatory requirements.



## Scheme members

Norfolk Pension Fund scheme members come from a range of private, public and quasi-public organisations across the county.

It is essential that scheme members are provided with detailed information about the scheme and be able to understand what pension and benefits they may be entitled to in the future.

**Communication with members reflects the varying interests and concerns of the different groups of scheme members:**

### **Active members (30,257)**

People currently in the employment of a participating employer.

### **Deferred members (37,106)**

People who have left the employment of a participating employer, but who have not yet retired.

### **Pensioner members (27,370)**

People in receipt of a pension from the Norfolk Pension Fund.  
(Membership numbers as at 31 March 2021)

## Telephone Helpline

A dedicated helpline for scheme members is operated by our experienced Pension Administration Team.

The team gives advice to active, deferred and retired members on scheme membership and benefits.

**01603 495923**

**Phone lines open**

**Monday to Thursday 8.45am - 5.30pm**

**Friday 8.45am - 4.30pm**

# Scheme members

## Sharing information with scheme members...

\*Item currently restricted due to COVID-19

### Internet

The Norfolk Pension Fund website provides advice, information and news as well as **direct and secure access to members personal data**, including a pensions calculator for active members at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)

### Scheme guide

A scheme guide is supplied to all members and published on the website.

### Annual Benefit Statement and newsletter

Annual Benefit Statement booklets are sent to members' home addresses. The booklet also gives information on changes to the scheme and other topical

### Annual Meeting and Pension Clinics\*

Scheme members can raise questions directly with Pensions Committee at the Annual Meeting. Due to COVID-19, our annual Pension Clinics have been suspended but members can request a virtual meeting to discuss their LGPS pension.

### Pay Advice and Pensions Increase Notification

Payslips are posted to all pensioners when the pension payment after tax is more than £1.00 different to the last monthly payment. Members can view their monthly payment details on our website. We write to members about the annual pensions increase and other important messages. We also send them a P60 Tax Form each year.

### Pensions roadshows\*

Roadshows are run as, when and most importantly where they are needed.

### Pre-retirement course

The Pension Fund supports a pre-retirement course, to help members approaching retirement prepare for the financial and lifestyle changes retirement brings. The course is currently being delivered virtually via Zoom.

### Retired members events\*

An annual event for pensioners takes place at a number of venues across the County. Speakers cover a range of pensions, financial and lifestyle subjects, including an update on the LGPS. These events are made possible by kind donations from our fund managers, Custodian and Actuary.

### Retired members newsletter

Primetime, our newsletter for retired members (currently published twice a year) is posted to home addresses and covers the latest information about pensions and the Fund.

Active

Deferred

Pensioner

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## Prospective and new scheme members

Most people coming to work for any of the employers participating in the Norfolk Pension Fund are able to join the Local Government Pension Scheme (LGPS).

An up-to-date list of all the employers who participate in the scheme is posted on our website at:

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

Most employers automatically enrol eligible new employees into the LGPS. They then have the right to 'opt out' of the Fund and cease to be a member.

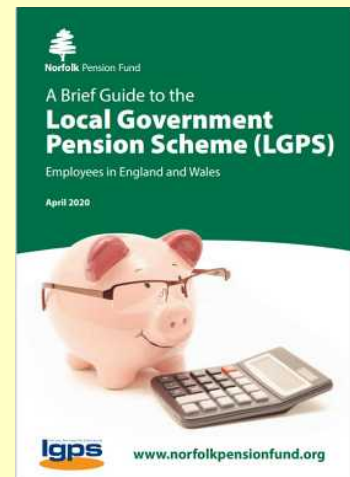
Some members will have circumstances that may make it appropriate to opt out of the Fund.

We want people to make well informed decisions. We work closely with employers to help prospective members understand the wider benefits of membership and to encourage new members not to give up scheme membership without careful consideration.

### Sharing information with prospective/new scheme members

#### New joiner information

A number of items are published on our website with information for new scheme members including the 'Brief Guide to the Local Government Pension Scheme (LGPS)' booklet.



#### Online

The Norfolk Pension Fund website has an area for joiners with details of the scheme benefits, costs, who can join and how to join. [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)

#### Induction courses

The benefits of membership are highlighted by scheme employers during their induction procedures.

#### Recruitment

Recruitment exercises highlight the opportunity of joining the scheme to potential employees.

## Member representatives

The staff representative member of the Pensions Committee is also a representative of UNISON.

We maintain positive relations with member representatives and meet as requested or needed.

# Employers

At the end of March 2021, the Norfolk Pension Fund had 425 contributing employers. This included Norfolk County Council, non-uniformed police authority and fire service staff, district councils, parish councils and drainage boards, a range of charities and quasi-government organisations such as the Citizens Advice and housing associations, increasingly some private companies delivering services on behalf of local authorities, and a growing number of academy schools.

## Sharing information with our employers

### Employer Forum and webinars

All employers are invited to regular Employer Forums (currently virtual) and webinars. These offer a great opportunity for employers and Norfolk Pension Fund colleagues to get together, to exchange news and views. Norfolk Pension Fund staff update employers with the latest news affecting the Norfolk Pension Fund, and external speakers provide insights into the wider pensions world. Webinars and virtual Employer Forums are recorded for colleagues unable to attend the live events.

### Employer Manual

Our interactive Employer Manual is provided via the Norfolk Pension Fund website, and aims to provide all the information needed to take part effectively in the pension scheme.

### Employer Newsletter

The Fund publishes a regular newsletter, aimed specifically at employers. It covers topical issues under debate, technical changes that need their attention and changes to regulations that impact on their duties and responsibilities. The frequency of publication has been increased during COVID-19 to keep employers up to date with all the latest developments.

### Annual Report and Accounts

The audited accounts of the Norfolk Pension Fund are prepared as at 31 March each year and published on our website.

### Specialist advice

Professional advice can be provided/arranged, related to specific pensions activities undertaken by employers, for example transfer of staff, external contracts, etc.

### Internet - [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) and i-Connect (Employer Portal)

The Fund's website hosts an area for employers. It has lots of information about the scheme and the Norfolk Pension Fund. The employer manual, year end packs, information, forms and employer newsletters are all available online. Our Employer Portal gives employers access to view their own data, securely exchange data and submit requests and changes online.

### Contacts database

We maintain an employer contact database.

### Email

Updates on relevant topics are emailed to employer contacts as appropriate.

### Fact sheets

Pension Fund fact sheets are maintained on issues such as early retirements.

### Individual employer meetings

Pension Fund staff arrange virtual meetings with employers on request.

## Other bodies we communicate with

**The Ministry of Housing, Communities and Local Government (MHCLG):** We have regular contact with MHCLG, as regulator of the scheme, and participate in a number of working groups where new developments are discussed.

**The Pensions Regulator (TPR):** to ensure good governance and standards of administration and compliance with Public Service Code of Practice 14.

**ACCESS (A Collaboration of Central, Eastern and Southern Shires):** The Norfolk Pension Fund is one of 11 LGPS Funds in the ACCESS investment pool.

### **The Society of County Treasurers**

**Chartered Institute of Public Finance Accountants (CIPFA):** The Norfolk Pension Fund takes part in the annual CIPFA Pensions Administration Benchmarking Club.

**Local Authority Pension Fund Forum (LAPFF):** The Norfolk Pension Fund is a member of the LAPFF, which was established to help local authority funds share information and ideas about how we can be socially responsible owners of the companies in which we invest.

**Pensions and Lifetime Savings Association (PLSA):** The Norfolk Pension Fund is a member of the PLSA, which helps us be a part of the national pensions debate. Jo Quarterman sits on the PLSA Local Authority Committee.

**South Eastern Counties Superannuation Officers Group:** Pension Officers from administering authorities in the region meet regularly to share information and ensure uniform interpretation of the rules governing the scheme.

**Investment Managers, Professional Advisors and Actuaries:** We have regular meetings with the Fund Managers who invest the monies belonging to the Fund. We also meet the Fund's actuaries who measure and value the assets and liabilities of the Fund, and calculate the necessary Employer contribution rates to keep the Fund solvent.

**Heywoods CLASS and Payroll User Groups:** We are active members of the Heywood's Administration CLASS (Computerised Local Authority Superannuation System) and Payroll system users groups.

**Pension Fund Custodian:** The Fund's custodian is HSBC, who ensure the safekeeping of the Fund's investment transactions and all related share certificates, etc.

**Barclays Bank:** provide banking services to the Fund

**The Press:** The Fund has a good working relationship with professional pension publications and the local media.

**Seminars and conferences:** Norfolk Pension Fund staff regularly attend and speak at seminars and conferences, to continue their professional development, maintain knowledge levels and to contribute to pensions development.

# Norfolk Pension Fund staff

The Norfolk Pension Fund is administered by Norfolk County Council.

**Administrator of the Norfolk Pension Fund**  
**Norfolk County Council**  
**Executive Director of Finance and Commercial Services,**  
Simon George.



**Head of Service**  
**Director of the Norfolk Pension Fund,**  
Glenn Cossey, leads the Service.



**Administration Management**  
**Pensions Manager,** Mark Alexander and  
**Pension Member Services Manager,** Debra Keeling, and their team provide benefit administration services to scheme members and participating employers.

**Investment Management**  
**Head of Funding and Investment,** Alex Younger, and his team manage the pension fund investments and accounts, as well as providing support to employers and the Trustees in their stewardship of the Fund.

**Business Management**  
**Business Development and Project Manager,**  
Jo Quarterman, supports the Fund's governance, communication, service development and project management.

## Sharing information

### Management meetings

The Management Team meets regularly, for strategic and development planning and review, as well as operational performance issues and monitoring.

### Team meetings and weekly newsletter

Team meetings take place regularly, and are supplemented by additional or informal meetings for specific issues as required.

A weekly newsletter is also circulated to the team.

### Service Plan

The Fund maintains a three year service plan, which sets out the agenda for the future. All the team share the plan, and discuss at team meetings.

### Team development

A budget is allocated for training and development. A combination of formal and informal training and development is maintained.

### Performance development framework

The performance development framework includes conversations between managers and team members to establish clear goals in work aligned to organisational plans; maximising the strengths of contribution to the service; and reviewing performance and future development plans.

### Intranet, internet and email

All staff have access to the Norfolk County Council intranet, the internet and email.



**Norfolk Pension Fund**

**Norfolk Pension Fund**

**County Hall**

**Martineau Lane**

**Norwich**

**NR2 1AD**

**Telephone: 01603 495923**

**Email: [pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk)**

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

## Norfolk Pension Fund publications

Communication material	Paper based	Online	Large sight copy	Braille/ Audio	When published	When reviewed
Website: <b>www.norfolkpensionfund.org</b>		✓	Help available	Help available	Constantly available	Ongoing
Scheme Booklet	✓	✓	On request	On request	Constantly available	Ongoing
A Guide to the LGPS	✓	✓	On request	On request	Constantly available	Ongoing
Annual Benefit Statement, members newsletter and accounts	✓	✓	On request	On request	Annually	Annually
Pay advice slip	✓	✓	On request	On request	Online - Monthly Paper - only if payment changes	Monthly
Retired members newsletter	✓	✓	On request	On request	Twice yearly	Twice yearly
Information sheets (various)	✓	✓	On request	On request	As required	Ongoing
Employer Manual	✓	✓	On request	On request	Constantly available	Ongoing
Employer Newsletter	✓	✓	On request	On request	3-4 times a year	3-4 times a year
Report and Accounts	✓	✓	On request	On request	Annually	Annually
Pensions Committee Papers	✓	✓	On request	On request	Quarterly	Quarterly
Pensions Oversight Board Papers	✓	✓	On request	On request	3-4 times a year	3-4 times a year
Press articles	✓	✓	On request	On request	As required	As required



# Norfolk Pension Fund Events

Pensions Committee	Four times a year
Pensions Oversight Board	Four times a year
Employer Forum and webinars	Approximately four a year
Annual Meeting and Pension Clinics (virtual as requested)	October/November
Pre-retirement course	Bi-monthly
Norfolk Pension Fund member roadshow	As requested
Induction sessions for employers (new HR and Finance staff)	As requested

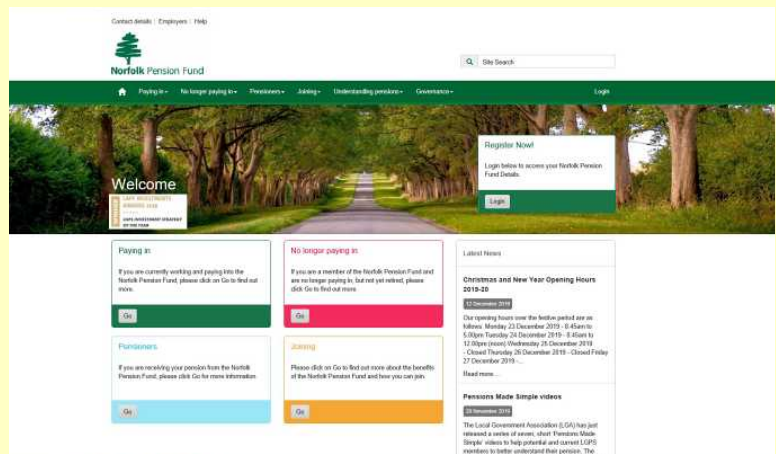
**Visit the Norfolk Pension Fund at**  
**[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)**

## For information on

- Benefits
- Fund performance
- Fund literature and guides
- Events
- Latest news
- Contact information

## Register for online services for

- Personal details
- Annual Benefit Statement
- Pension payments
- Online requests





# Primetime

Spring **2021**  
Issue **14**



Pension fund newsletter  
**for retired members**



**Norfolk Pension Fund**  
Delivering the Local Government  
Pension Scheme



# Please keep in touch!

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**Keeping us informed of your correct contact details is very important – it could make the difference between your pension being paid or being suspended, whilst we trace your new address.**

So please do let us know if you move house or if this newsletter didn't arrive at the correct address.

Unfortunately, our Lawrence House office will be closed to visitors for the foreseeable future, but please remember we are always here to help and can be contacted in the following ways:

## Email:

pensions@norfolk.gov.uk

If you email us your new address, please include the following information:

- Your FULL NAME
- Your Norfolk Pension Fund payroll number
- Your date of birth
- The name of the bank to which we pay your pension

## Telephone:

01603 495788

Our phone lines are open until 5.30pm Monday to Thursday and until 4.30pm on Fridays.

## Post (postal address only):

Norfolk Pension Fund  
County Hall  
Martineau Lane  
Norwich, NR1 2DH

If you are writing to tell us of your new address, please remember to sign your letter with your usual signature.

## Website:

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

If you move, please download the 'Change of Name or Address' form from the 'Pensioners/Frequently asked questions' page of our website.



**Norfolk Pension Fund**



# Hello and welcome

**I'm delighted to introduce this edition of Primetime, which includes pension pay dates for 2021-22, tax news and other information to help you keep up-to-date with your pension.**

It's been a turbulent year since our last Primetime. Back in April 2020, not many of us would have predicted the dramatic effect COVID-19 would have on our lives - I hope that you and your loved ones have managed to keep safe and well.

The pandemic has also created some economic uncertainty, but please be assured that the Norfolk Pension Fund is a defined benefit scheme not linked to stock market performance. The Fund is securely managed for the long term and your pension payment will be unaffected by conditions in the financial markets.

Although Lawrence House is closed to visitors at the moment, we are still here looking after your pension and available to help if you need us. So, if you have any questions about your pension, please email us at **pensions@norfolk.gov.uk** or call us on **01603 495788**.

Best wishes



Glenn Cossey, Director of the Norfolk Pension Fund



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# Your pension increase from April 2021

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Your Local Government Pension Scheme (LGPS) pension increases in line with the cost of living.

Like other Public Sector Pensions, it goes up in line with the Consumer Price Index (CPI).

The April 2021 increase will be 0.5% based on the CPI rate in September 2020.

- If your pension started before April 2020 you will get the full increase
- If your pension started after April 2020 and before 28 March 2021 you will get part of the increase
- We will send you a payslip in April which will include a message about the increase to your pension.

## Changing your bank?

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**Please let us know if your bank details change, as your bank or building society may not tell us!**

Unfortunately we can't take a change in bank details over the phone as we must have your signature when you tell us.

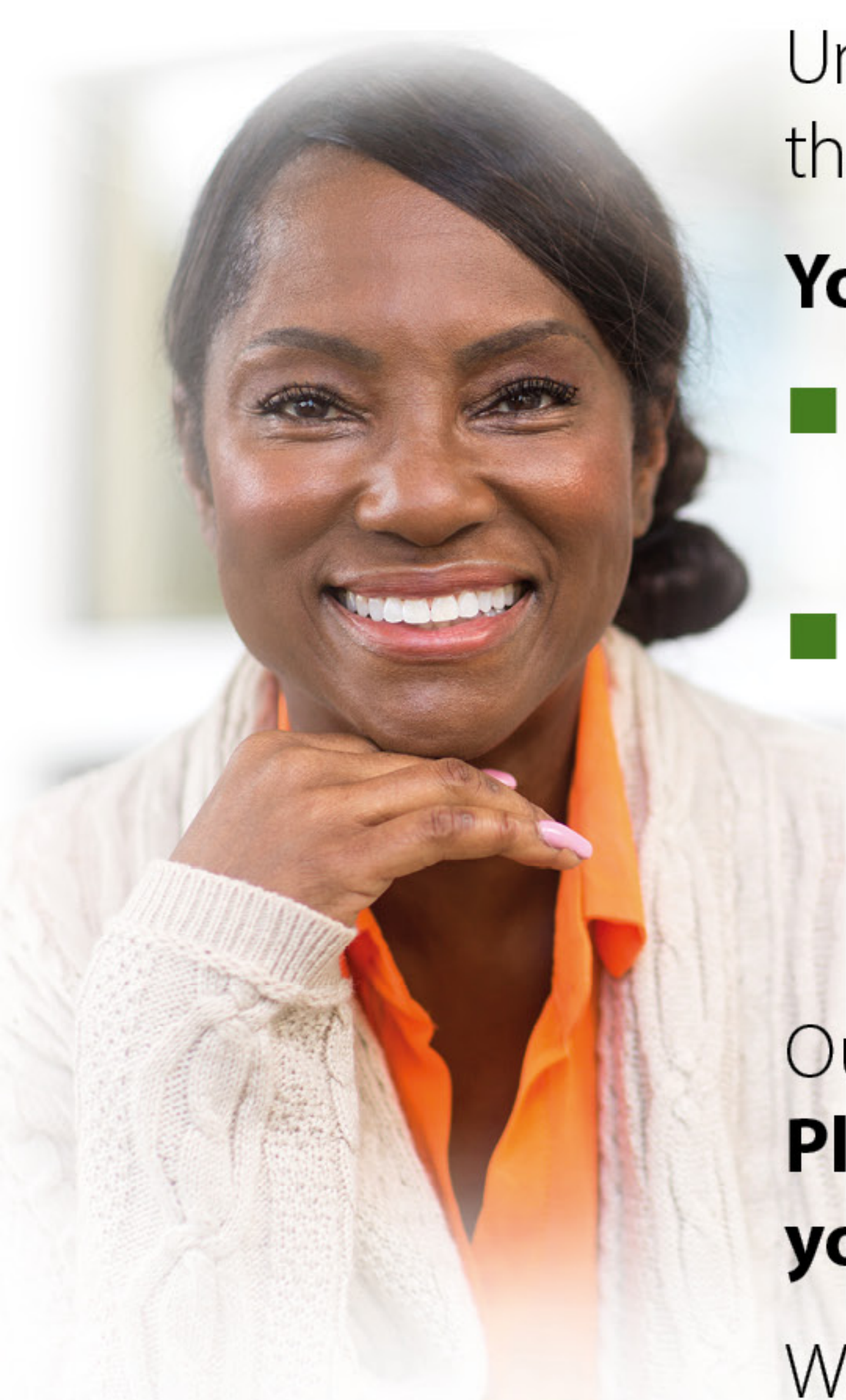
**You can either:**

- Write to us at (postal address only): Norfolk Pension Fund, County Hall, Martineau Lane, Norwich, NR1 2DH
- Download the **'Bank or Building Society Payment Details'** form from our website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) under the Pensioners/Frequently asked questions section.

Our contact details are on the back page of this booklet.

**Please remember to sign your instruction to change your bank details.**

We usually run our pensions payroll around the middle of the month, so please tell us about any changes in good time or it may delay your payment.





# When is my pension paid?

**Your pension goes into your bank account on the last working day of the month.**

## **In 2021-22 dates will be...**

April 2021	Friday 30 April
May 2021	Friday 28 May
June 2021	Wednesday 30 June
July 2021	Friday 30 July
August 2021	Tuesday 31 August
September 2021	Thursday 30 September
October 2021	Friday 29 October
November 2021	Tuesday 30 November
December 2021	Friday 31 December
January 2022	Monday 31 January
February 2022	Monday 28 February
March 2022	Thursday 31 March



# When do I get my payslip?

**Generally, we don't send payslips to all our pensioners every month.**

A full payslip run usually only happens twice a year in April and May.

We only print payslips to send to you when:

- the amount you receive changes by more than £1 from your last payment, or
- HM Revenue & Customs change your tax code, or
- you change your bank details, or
- you change your address

**When you receive a payslip, always look on the reverse to see any messages.**

**There will be months when you will not receive a payslip, but please don't worry as your pension will be paid into your account on the above dates.**

**Register at  
[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)  
to view your  
payslip online!**



# Pensioner Support Team News

## A message from Paul Stimpson, Pensions Payroll Manager

As a result of COVID-19 social distancing restrictions, we've spent the last year working at home. It's been a new experience for us all and you can read my colleague Shenda's account of doing her job in new surroundings on the page opposite.

In other news, I am delighted to introduce our new team member, Helen Hayes. Helen has a long background in banking and brings a wealth of experience with her to her new role.

Before I sign off, please remember to tell us your new address (or, if applicable, your Power of Attorney's new address) if you move, so we can continue to pay your pension without disruption. Please see page 2 for details on how you can keep in touch with us.

## Meet the Pensioner Support Team



**Paul Stimpson**



**Shenda Hedtke**



**James Colk**



**Sandra Pye**



**Nichola Symonds**



**Gary Lemmon**



**Helen Hayes**



# Working from home – Shenda's story

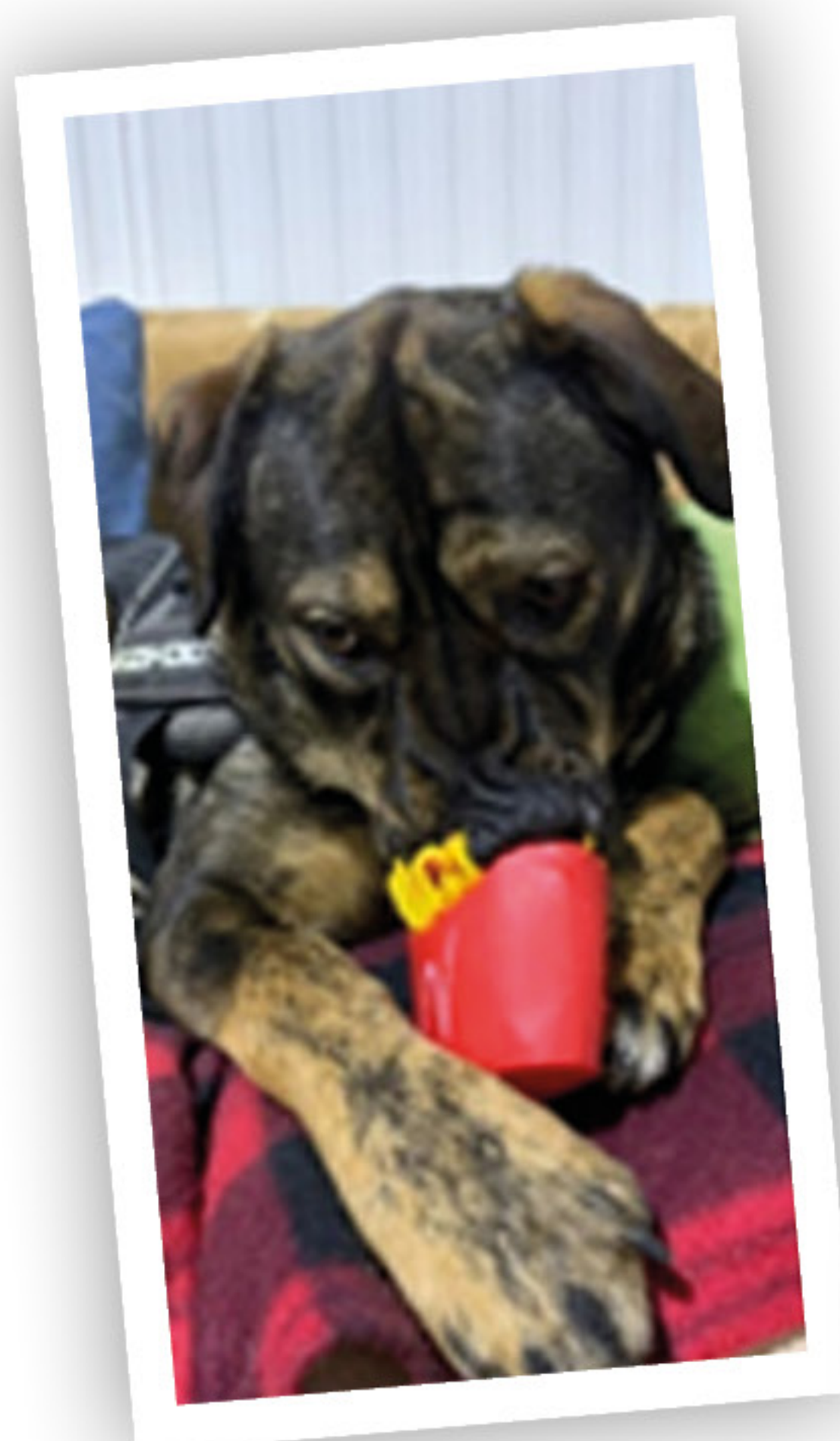
**After the initial challenges of working at home and the high volumes of work that followed the first lockdown, the Pensioner Support Team quickly settled into a manageable and workable daily routine.**

Working from home means more electronic processes, so less pens and paper are required and no daily opening of post. Instead we use more spreadsheets which are directly uploaded to records and we receive our post electronically from County Hall each day. All in all, much kinder to the environment.

Many things have had to change over the past 12 months, but for me having worked in pensions for 34 years, working alone at home hasn't been a challenge in terms of my ability to do my job.

My husband is at home some days and I have my two dogs (Louie and Wes) to keep me company every day, so thankfully isolation and loneliness hasn't become an issue for me. I also receive some of your telephone calls which gives me contact with the outside world, probably in the same way some of you feel by making that call.

However, my dining table is now my 'office desk' which, except for Christmas Day, I haven't sat at to eat a meal since March 2020. Background chatter of colleagues is replaced with the radio and occasional noise from my dogs whenever a delivery driver or postman calls or just when they want to remind me that they are here with me. In truth, my dogs have been my blessing as they remind me every day that not all things have changed. I have some normality with them around.



Louie



Wes



# Pensions Committee

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Norfolk County Council is the administering authority of the Norfolk Pension Fund. The Pensions Committee is responsible for decisions about running the Norfolk Pension Fund.

The eight members of the Pensions Committee (seven elected Councillors and one scheme member representative, nominated by the local trade unions) act as trustees and supervise the management of the Norfolk Pension Fund. Their aim is to manage the Pension Fund in the best interest of scheme members and participating employers. To help them do this, they get advice from Pension Fund officers, professional advisors and external experts.

## Pensions Oversight Board

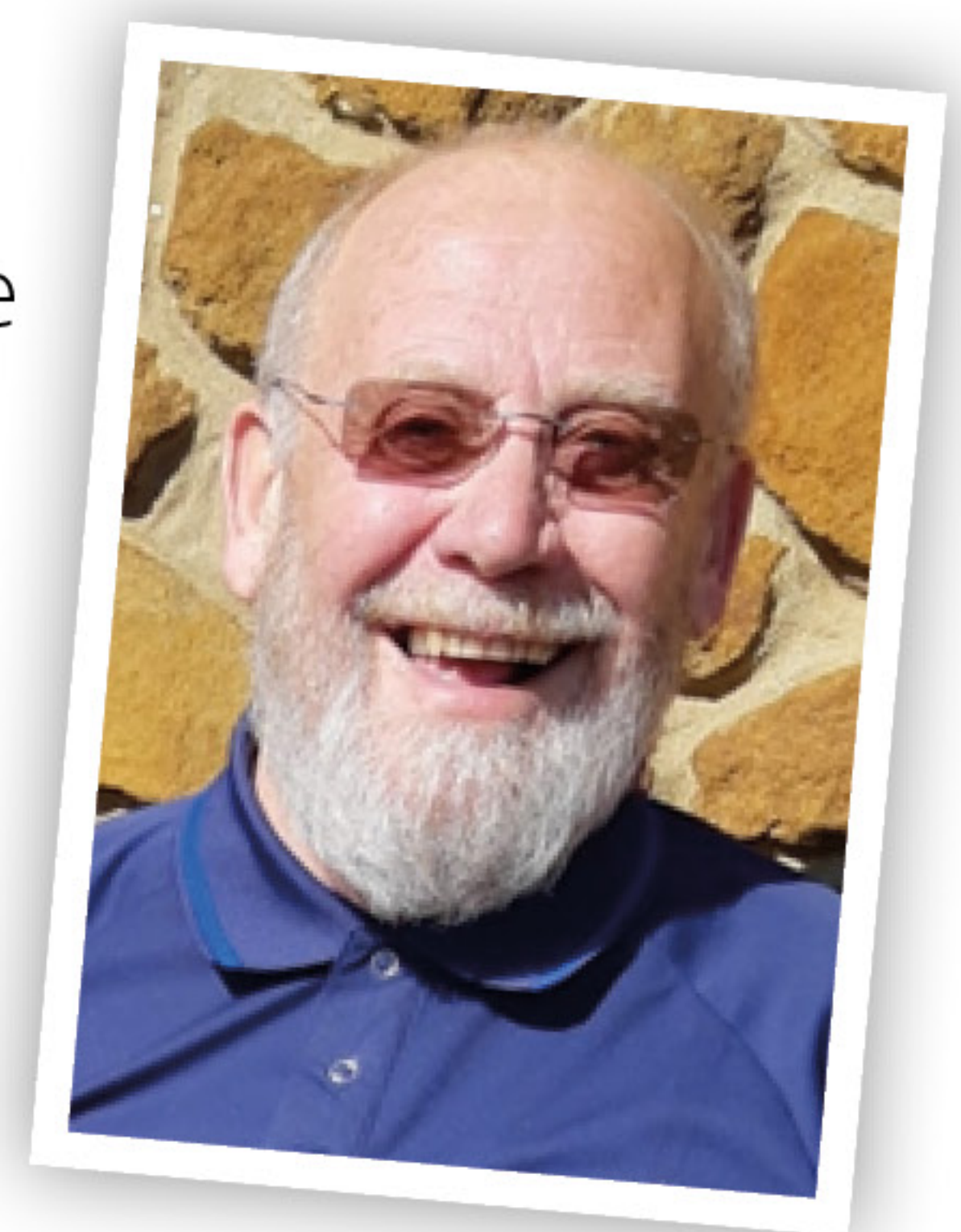
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The Pensions Oversight Board helps the Pensions Committee ensure that the Pension Fund is well managed. Unlike the Pensions Committee, the Pensions Oversight Board doesn't have the authority to make decisions. Its job is to make sure that the Pension Fund carries out all its duties appropriately and well.



Brian Wigg (pictured right), who many of you will know from his time as retired scheme member on the Board, is the Independent Chairman of the Board.

Peter Baker (pictured left) is the current retired scheme member representative.



For more information about the Pensions Committee and the Pensions Oversight Board, please visit [\*\*www.norfolkpensionfund/governance\*\*](http://www.norfolkpensionfund/governance)



# Am I a taxpayer?

We are all potential taxpayers... but you only pay tax if your income is greater than your personal tax allowance. Detailed information is available from HMRC, but here is a simplified guide.

## 1. Add up your taxable income.

Some income is taxable and some is never taxed. Add up your taxable income in a tax year. Tax years run from 6 April to 5 April.

## 2. Add up your tax free allowances.

For most of us, this is just the personal allowance shown on page 10, but there are others such as Blind Person's Allowance.

## 3. Take one from the other.

Take your tax-free allowances away from your taxable income. If there is anything left you have to pay tax on it.

.....  
**Examples of taxable income:** State pensions • Work place pensions, like ours • Earnings from any job • Share dividends • Rental income

**Examples of non taxable income:** Premium Bond wins • Income from tax exempt savings accounts including ISAs

## What if I think my tax code is wrong?

Please don't tell us, as we cannot alter it! Only HMRC can do this, so please contact them using the details shown below.

Telephone Number **0300 200 3300**

Open Monday to Friday: 8am to 6pm

You can use **Relay UK** if you cannot hear or speak on the phone.

To use this service please dial **18001** then **0300 200 3300**.

**Please quote your National Insurance number and PAYE reference 531/N3722P**



HM Revenue  
& Customs

Hopefully this summary of tax is helpful but please visit **[www.gov.uk/income-tax-rates](http://www.gov.uk/income-tax-rates)** for full details of tax and take professional advice if you need it.



# Tax News for 2021-22

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## Personal Allowances

Most people are allowed to receive a certain amount of income in a tax year on which they do not have to pay tax. This is called the personal allowance. For the 2021-22 tax year the **personal allowance** will be £12,570 and tax will only be payable on income over that amount.

## Marriage Allowance

To help couples where only one is a tax payer, it's possible to share some of the Marriage Allowance. If your income is less than the personal allowance of £12,570, you can transfer some of your allowance to your husband, wife or civil partner, as long as they only pay tax at the basic rate of 20%. For 2021-22, the amount you can transfer is up to 10% (£1,257) of your personal allowance. A person transferring the full £1,257 of Personal Allowance would save their husband, wife or civil partner £251.40 in tax. As far as we are aware, application must be made online by visiting [www.gov.uk/marriage-allowance](https://www.gov.uk/marriage-allowance)

## New Year Tax Codes

In February, we start getting large volumes of tax codes for the new tax year 2021-22. If you receive a new tax code statement from HMRC around this time look for the tax year on it. It may be for 2021-22. If so, we will use it for payments from April onwards. You don't have to contact us to tell us your new code, but please check it's on your April payslip.

## Income Tax

The amount of tax you pay is based on your income in the tax year, over and above your personal allowance. The rate of income tax you pay will vary depending on where you live in the UK as shown in the tables opposite.

**Please note the tax rates shown are only payable on income over the personal allowance of £12,570.**



## England and Northern Ireland tax rates payable on income over the £12,570 personal allowance.

Rate	Tax Year 2021-22	Tax Year 2020-21
Basic Rate: 20%	£1 - £37,700	£1 - £37,500
Higher Rate: 40%	£37,701 - £150,000	£37,501 - £150,000
Additional Rate: 45%	Over £150,000	Over £150,000

## Scotland tax rates payable on income over the £12,570 personal allowance.

Rate	Tax Year 2021-22	Tax Year 2020-21 (from 11 May 2020)
Starter Rate: 19%	£1 - £2,097	£1 - £2,085
Basic Rate: 20%	£2,098 - £12,726	£2,086 - £12,658
Intermediate Rate: 21%	£12,727 - £31,092	£12,659 - £30,930
Higher Rate: 41%	£31,093 - £150,000	£30,931 - £150,000
Top Rate: 46%	Over £150,000	Over £150,000

## Wales tax rates payable on income over the £12,570 personal allowance.

Rate	Tax Year 2021-22	Tax Year 2020-21
Basic Rate: 20%	£1 - £37,700	£1 - £37,500
Higher Rate: 40%	£37,701 - £150,000	£37,501 - £150,000
Additional Rate: 45%	Over £150,000	Over £150,000

**Rates correct at time of preparation, but could be subject to change before 6 April 2021. Hopefully this guide is useful but please visit [www.gov.uk/income-tax-rates](http://www.gov.uk/income-tax-rates) for full details on tax and take professional advice if you need it.**



# Useful reminders

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You may remember these items from previous editions of Primetime. We often get questions about them so feel they are worth repeating...

## New job?

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Please remember to tell us if you get another paid job with any employer who offers you membership of the LGPS, regardless of whether you join the scheme or not. In some cases, working for this type of employer may affect your pension.

## Change of Address

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Keeping us up to date with your current address is really important. If any mail from us to you comes back undelivered we will stop paying your pension while we try to find out what your situation is.

**See page 2 for 'how to keep in touch'.**

## Living abroad?

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Are you one of our pensioners who live abroad?

If so, you may be interested in a service provided by Citibank. For just £2.74 a month – collected from your payment – Citibank will pay your pension directly to your overseas bank account in local currency, via their WorldLink system.

Payment this way does take a little longer to process, so your pension will arrive a few days after your payment date. If you would like to know more then please contact the Pensioner Support Team on

**01603 495788** or email **[pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk)**



## Changes to your bank details

Please let us know immediately if your bank details change, as your bank or building society may not tell us!

We can't take a change in your bank details over the phone, as we must have your signature so please either:

- Write to us at (postal address only): **Norfolk Pension Fund, County Hall, Martineau Lane, Norwich, NR1 2DH**
- Download a form from **[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)**

## Power of Attorney (POA)

If a family member or friend is dealing with your financial affairs by way of a Power of Attorney, please send the full document (or a copy) to us. We can then work with your Attorney. Remember though, we only need to see a POA if it is being used – **if you are still managing your finances please don't send us a POA.**

If you don't have a POA but need someone to act on your behalf, our Appointee Indemnity Form may be used – please ask us for more details.

## Swap your pension for a lump sum

If you receive just a small annual pension from us, you may be able to swap it for a one-off lump sum (known as Trivial Commutation).

If you would like to know if you are eligible to do this, please get in touch (eligible annual pensions are usually in the hundreds rather than the thousands, but it depends on your individual circumstances)



# Volunteer to help the fight against COVID-19

**Do you have suspected or confirmed COVID-19? Are you aged 65 or over? Or are you aged 18 to 64 with underlying health conditions?**

Then you could be eligible to join the PRINCIPLE trial to help the fight against COVID-19.

PRINCIPLE is a nationwide clinical study from the University of Oxford to find COVID-19 treatments that can be taken at home.

They are looking for medicines that can help people with COVID-19 symptoms get better quickly and stop them needing to go to hospital.

By taking part in the trial, you will help researchers to understand how COVID-19 can be treated and how symptoms progress.

For more information and to volunteer, please visit the PRINCIPLE website at **[www.principletrial.org](http://www.principletrial.org)**.

Alternatively, call 0800 138 0880 or email **[principle@phc.ox.ac.uk](mailto:principle@phc.ox.ac.uk)**.  
You can also ask your GP to contact PRINCIPLE on your behalf.





# New Member Self Service

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Watch out for our new Member Self Service coming later this year which will make our online services easier for you to use!

With Member Self Service you will be able to:

- view your personal details and address
- update your personal details including bank details
- see your payslips and P60s
- exchange documents with us securely
- monitor the progress of any requests you make

If you use our current online service, you will need to re-register to use the new Member Self Service when it goes live.

We will send you details of how to do this when the service is available later in the year.



## HMRC Pensioner and Bereavement Helpline

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### HM Revenue & Customs

(HMRC) have a dedicated helpline on **0300 200 3300** for pensioners and also those calling about the death of a pensioner.

You can use **Relay UK** if you cannot hear or speak on the phone. To use this service please dial **18001** then **0300 200 3300**.

If you're calling from abroad please telephone **+44 135 535 9022**.

If you need to write to HMRC the address is:

**Pay As You Earn and  
Self Assessment  
HM Revenue and Customs  
BX9 1AS**

If you are writing about someone who has died please mark your letter **'Bereavement'**.



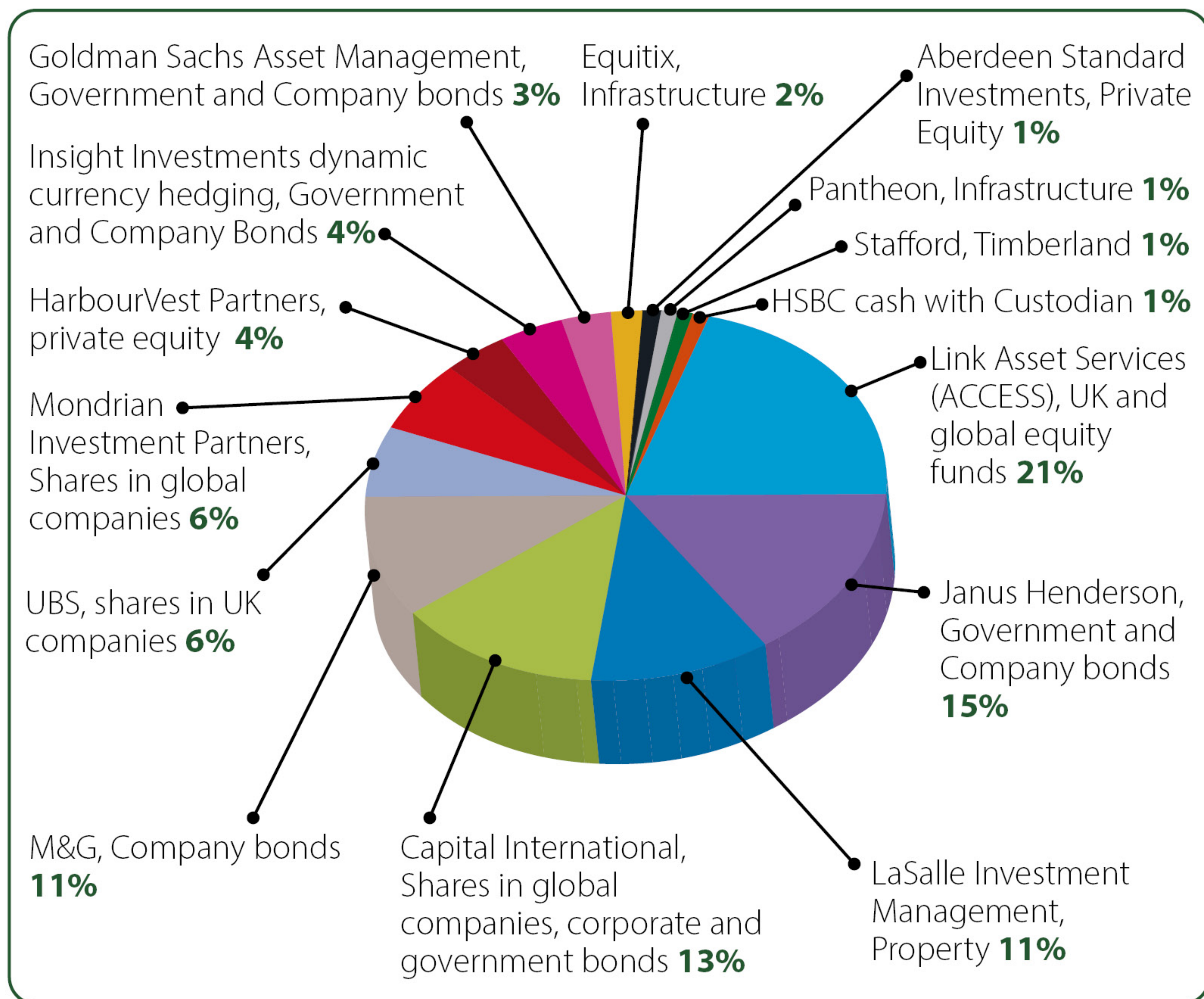
# Accounts and investments

This is a summary of the Norfolk Pension Fund accounts and investments. Our **full accounts** for 2019-20 are published on our website at **[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)** following full external audit. You can also find there a copy of our **Investment Strategy Statement**, which includes details of our Socially Responsible Investment and Corporate Governance activities. If you would like a paper copy of either document please call us on **01603 222824**.

	2019-20	2018-19
	£000s	£000s
<b>Opening net assets of the scheme</b>	<b>3,809,192</b>	<b>3,603,370</b>
Employees' contribution to the Fund	31,231	29,705
Employers' contribution to the Fund	119,463	117,522
Transfer values received	12,103	14,336
Payments to pensioners and dependants	-144,311	-138,635
Transfers out and other payments to leavers	-6,491	-6,949
Advisor fees and general administration costs	-24,527	-20,634
Net investment return – including income and the change in value of investments	-175,540	210,477
<b>Closing net assets of the scheme</b>	<b>3,621,120</b>	<b>3,809,192</b>

The COVID-19 global pandemic created volatility on the financial markets and during this time most investment assets fell in value. The Norfolk Pension Fund was not immune to this, but our diversified, long-term, investment approach helped mitigate the effects. Over the year to 31st March 2020 the Fund's assets fell by 5.2% following a number of years of growth.





Our diversified approach means that we always have a mix of investment methods and asset types as we aim to get the best return on investment we can, whilst at the same time managing risk.

We are working with 10 other like-minded LGPS Funds to bring the management of many of our investments together in a pooled arrangement, in order to reduce costs whilst maintaining investment performance. This will not change Pensions Committee's overall responsibility for the Norfolk Pension Fund.



# Don't be a victim of scams

---

A scam is something designed to illegally con you out of your money.

The financial effects can be devastating, some victims even lose their life savings.

To help us all be aware and protect ourselves from scams, the Norfolk County Council Trading Standards team gives regular alerts at [www.norfolk.gov.uk/business/trading-standards/scams](http://www.norfolk.gov.uk/business/trading-standards/scams) about the latest scams in our area.

In 2021 there have already been dozens of scams reported in Norfolk including:

- Text messages claiming to be from 'Royal Mail' requesting a £2.99 payment for an undelivered package
- Fake 'NHS COVID-19 relief grant' text messages
- Automated scam telephone calls claiming to be from Aviva regarding a credit card payment
- Telephone cold calls regarding 'loft insulation' offering a free safety check

If you're unsure about whether something is a scam or not, always check with a family member, friend or someone else for their thoughts.

To report a suspected scam, please contact the **Citizens Advice Consumer Helpline** on **0808 223 1133**.







# Norfolk County Council

## The Norfolk Community

**Directory** contains activities, services, groups and support to help all Norfolk residents live healthy, active and fulfilling lives.



To find out more about the Directory, go to **[www.communitydirectory.norfolk.gov.uk](http://www.communitydirectory.norfolk.gov.uk)** or call **0344 800 8020**.

You can also 'suggest a service' via the website to let us know if there are any local services or organisations that you think should be included, if they aren't already.

All entries and feedback are monitored by Norfolk County Council.

## Your guide to care and support for adults...

...contains lots of useful information to enable people to stay independent in their own homes for as long as possible.

There is information about how to get help and support, what kind of services are available and details of other organisations that can help.

It is available free in libraries, GP surgeries, hospitals and other places across Norfolk.

The Guide is available online to download as a PDF or as an eBook at

**[www.norfolk.gov.uk/careservices](http://www.norfolk.gov.uk/careservices)** or, for a free copy, please contact Norfolk County Council Customer Service Centre on **0344 800 8020**.





# FREE local NHS Wellbeing Service

**COVID-19 has made everyone particularly anxious as we all make changes to our day to day lives to keep ourselves and others physically healthy.**

There are many uncertainties, and with the situation changing daily, it's natural to feel anxious and cut off from others.

Throughout this difficult time and beyond, the **NHS Norfolk and Waveney Wellbeing Service** is here to help you make the most of your life and feel connected to other people.

**We provide a range of support for mental health and emotional issues, such as low mood, depression, stress, worry and anxiety.**

By working closely with people, we help them make the changes to their daily routine to improve quality of life with:

- A comprehensive range of one-to-one talking therapies
- Online Guided Self Help and advice
- Relationship counselling for couples, individuals and families
- Courses to help achieve a better sense of wellbeing
- Peer support and access to social groups in your area
- Employment advice to help you remain in, return to, or find work





NHS Norfolk and Waveney Wellbeing Service also run a wide variety of social events which can help reduce the feeling of isolation and low mood, including:

- Baking
- Coffee & catch up
- Arts & crafts
- Book club
- Quizzes
- Men's social club
- Yoga



Our social events are great way to join in with an interesting activity and connect with other people with similar interests.

Whilst these would ordinarily be held within the community, under the current circumstances they are held via Zoom. If you need help setting yourself up on Zoom, please call us on 0300 123 1503 or visit our website at **[www.wellbeingnands.co.uk/norfolk](http://www.wellbeingnands.co.uk/norfolk)**

Our services are **free** and are available to people aged 16 and over living in Norfolk & Waveney.

Please visit our website at **[www.wellbeingnands.co.uk/norfolk](http://www.wellbeingnands.co.uk/norfolk)** or call us on **0300 123 1503 (8am-8pm)**. Alternatively, your GP or any other health or social care professional can refer you.

Don't think this is not for you – take that next step and contact us!

If you live in Suffolk, you can access the NHS Wellbeing Service at **[www.wellbeingnands.co.uk/suffolk](http://www.wellbeingnands.co.uk/suffolk)**





# Please tell us what you think

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Our aim is to provide you with the best possible service to help you with your pension.

We would therefore love to hear your feedback on Primetime and the service that you receive from the Norfolk Pension Fund. We would really appreciate it if you could spare a couple of minutes to complete our online survey at

**[www.smartsurvey.co.uk/s/N2012H/](http://www.smartsurvey.co.uk/s/N2012H/)**

It is only a very short survey and your views will help us provide you with the service you need. If you would like us to post you a paper copy of the survey, please call us on **01603 222824**.



## Looking after your data...

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**Norfolk County Council** (as administrator of the Norfolk Pension Fund) on behalf of the Norfolk Pension Fund is a Data Controller under the General Data Protection Regulations. This means we store, hold and manage your personal data in line with statutory requirements to enable us to provide you with pension administration services.

To enable us to carry out our statutory duty, we are required to share your information with certain bodies, but will only do so in limited circumstances.

For more information about how we hold your data, who we share it with and what rights you have to request information from the Fund, please visit **[www.norfolkpensionfund.org/governance/norfolk-pension-fund-full-privacy-notice/](http://www.norfolkpensionfund.org/governance/norfolk-pension-fund-full-privacy-notice/)**



# Tell Us Once

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**The Norfolk Pension Fund is signed up to Tell Us Once, a service that lets you report a death to the relevant Government departments and local authorities in one go.**



As part of this service, we are **automatically notified** once the death of any of our scheme members is reported to a **Registrar** as long as the National Insurance number has been recorded.

This means the scheme member's records can be processed more

**quickly and simply** than would otherwise be the case.

If you live in Norfolk, you can book an appointment with the Registrar online at **[www.norfolk.gov.uk](http://www.norfolk.gov.uk)** or by calling **0344 800 8020**.

## Would you like to Zoom?!

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The Norfolk Pension Fund is thinking about trialling an online meeting for retired members, where we can share the latest news about your pension and also invite a speaker who you might find interesting.

We'd like to know what you think. Would you find this helpful, would you be interested? If so, what questions or topics would be of interest to you?

As well as pensions, other subjects we could include are scams, eating well, fitness, Power of Attorney, making a will...

What do you think? Please let us know your ideas by emailing us at **[pensionevents@norfolk.gov.uk](mailto:pensionevents@norfolk.gov.uk)** or by calling us on **01603 223556**.





# Think we've made a mistake with your pension?

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Please let us know as soon as possible if you have a question or think we have made a mistake with your pension. Most queries are easily sorted out this way. However, if you disagree with any decision about your membership of the Local Government Pension Scheme, you're entitled to put your complaint through the official dispute procedure.

You can find a guide to the dispute procedure on our website at **[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)**

Alternatively, please contact us and we will send you a copy.

## Contact Details

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**Post** (postal address only) **Norfolk Pension Fund, County Hall, Martineau Lane, Norwich, NR1 2DH**

**Telephone** **01603 495788**

**Email** **[pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk)**

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

**Disclaimer:** the information in this newsletter is for general use only and does not cover every personal circumstance. If there is any disagreement over your pension benefits due under the Local Government Pension Scheme, the appropriate legislation will apply. This newsletter does not give you any contractual or legal rights, and is provided for information purposes only.

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## Employer Newsletter March 2021

### Welcome to our Employer Newsletter

I think most of us connected with the LGPS were taken by surprise when the Government revoked the £95k public sector exit payment cap last month.

The cap had what the Government called 'unintended consequences', but it still intends introducing new measures to reduce public sector severance payments, with the aim of delivering value for money for taxpayers and equalisation with the private sector.

We will update you with any new policy announcements as they happen but, in the meantime, please see page 2 for more information on the withdrawal of the cap and page 3 for an update on reverting to previous early retirement strain factors.

We're making good progress on the rollout of i-Connect, our new Employer Portal, with many of you already onboarded and benefitting from the new platform. Please see page 3 for more information.

We are approaching the Year End, so as I sign off please could I ask you to submit your return to us as soon as possible after 1 April. Thank you.

Best wishes,

Glenn Cossey

Director the Norfolk Pension Fund



### In this issue

- Exit Payment Cap Update
- Early Retirement Strain Costs
- i-Connect Rollout
- Employer Services
- Employer Forum
- Year End Return
- Lifetime Allowance
- Pre-Retirement Course
- Employer's Pension Policy
- Pensions Committee

### New Member Joiner Pack

We are currently unable to supply you with a paper copy of the new member joiner pack, but the pack items can be downloaded from our website [here](#) or by clicking on the item names below.

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

The forms can be completed electronically, so you can email a copy to the employee and submit the completed form via the Employer Portal.

## Exit Payment Cap Update

**As you will be aware**, last month the Government revoked the £95k public sector exit payment cap which took immediate effect from 12 February 2021.

The announcement retracted the Restriction of Public Sector Exit Payments Regulations 2020 (“the Regulations”) which had set a £95k cap on exit payments for specified public sector employees, including members of the Local Government Pension Scheme (LGPS).

### **The Restriction of Public Sector Exit Payments (Revocation) Regulations 2021**

**The Restriction of Public Sector Exit Payment (Revocation) Regulations 2021** came into force on 19 March 2021.

The regulations confirm the effect of the disapplication Directions made on 12 February 2021, but are not retrospective.

The regulations contain an obligation for employers to make payments to employees (or to other persons or public sector pension schemes in relation to those employees) who left during the period between the original regulations coming into force (4 November 2020) and the date of these regulations coming into force.

The payments are the difference between what was paid and the exit payments that the employee would have been entitled to had regulation 3 of the 2020 Regulations not been in force. However, given that the disapplication Directions effectively ‘switched off’ the restrictions on 12 February 2021 that should be the last date any payment was restricted.

Payments made by employers to employees or other persons under these regulations should include interest calculated in accordance with the Judgment Debts (Rate of Interest) Order 1993. The Local Government Association (LGA) will clarify any interest that could be payable on pension benefits and strain costs.

Qualifying members who left since 4 November 2020 ‘must be paid’ unreduced benefits.

For exits from 12 February 2021, LGPS administering authorities must pay qualifying scheme members an unreduced pension under Regulation 30(7) of the LGPS 2013 regulations.

Scheme employers will be required to pay full strain costs in relation to those unreduced benefits, as notified by the administering authority. Employers should not make cash alternative payments to either the scheme member or the administering authority.

### **MHCLG letter**

Following the revocation of the exit cap, the Ministry of Housing, Communities and Local Government (MHCLG) issued a **letter** withdrawing the Ministerial letter of 28 October 2020. This confirmed that the consultation on further reforms has been closed. It also confirmed that there will be no related changes to pension or compensation regulations without a further consultation exercise.

### **Employer guide**

Since the announcement, the Local Government Association (LGA) has updated the **‘Exit cap information for LGPS employers’** guide in line with legal advice now the cap has been disapplied.

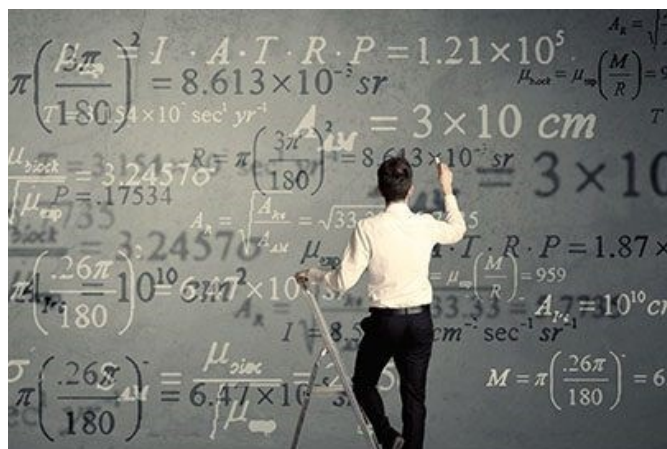
The employer guide asks that provision be made to pay the requested full strain cost where the administering authority confirms an unreduced pension is payable. It also says that employers should seek the recovery of any cash alternative paid to the employee in order to offset the cost of any strain payment due and in the interests of the effective use of public money.

Please visit the **public sector exit payments page of the Scheme Advisory Board (SAB) website** for more information.

## Early Retirement Strain Costs

**In line with the revocation** of the £95k exit cap, we have reverted back to previous early retirement strain factors, which we will review again should further legislation be introduced.

We will honour any retirement quotes given on the post £95k cap basis where this produces a lower figure than the factors we are now using (assuming all retirement conditions have remained the same).



## i-Connect Rollout

**At the beginning of the year** we began the launch of i-Connect, our new employer portal, which upgrades the process of how you submit data to the Norfolk Pension Fund.

Most of you have now been contacted about onboarding to i-Connect and many thanks to those of you that helped with the pilot onboarding process and gave feedback on our documentation.

If you are an employer with less than 50 active scheme members, you will be onboarded at the beginning of the new financial year, with the April 2021 payroll being your first submission via the new portal.

Onboarding at the start of the year means there's no part-year to reconcile, which should help make this a more straightforward process for you.

If you are using the services of a payroll bureau (for example, EPM, Dataplan, Norfolk County Council), we will help make the transition as seamless as possible for you by dealing directly with your supplier.



**If you have any questions about onboarding to i-Connect or if you haven't heard from us, please contact the team at**  
**pensions.systems@norfolk.gov.uk**  
**or telephone 01603 222132.**

For more information about i-Connect, please watch the recording of our December Employer Forum [here](#), which included an overview and demonstration of the new portal.





## Employer Services

Alongside the implementation of i-Connect, to improve the efficiency and timeliness of data submission to us, we continue to review the structure for the delivery of employer services.

We anticipate that this work will be completed during 2021-22 supported by the Fund Actuary, Hymans Robertson.

As you will be aware, the number and diversity of employers in the Fund has continued to grow.

We have also faced other challenges which have increased the administration and support workload. This has put greater demands on you as an employer and the amount of support you require from us.

We are aiming to ensure that we have a service that is fit for purpose to meet these evolving



challenges, identify appropriate resourcing and making best use of technology to deliver future service requirements.

We will bring you an update on the outcomes of the review as they move towards practical implementation in future Employer Newsletters and at the next Employer Forum (please see the article below for further details).

## Employer Forum

**Please make a note in your diary** for Thursday 8 July 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 a number of key issues including developments in the LGPS, an administration update and the latest on the Employer Services review.

During the webinar you will have the usual opportunity to put questions to our panel of experts from the Norfolk Pension Fund and the Fund Actuary, Hymans Robertson.

We will circulate a more detailed agenda nearer the date.

If you would like to make an early reservation, please email [pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk).



**As part of this virtual event**, our team will be available after the webinar for the rest of the day to answer questions. We can do this in a format that is most useful for you, 1:1 sessions via TEAMS/Zoom or by telephone.

To arrange a 1:1 session with one of the team, or to send us your questions or any issues you would like covered in the webinar, please email

**[pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk) or call  
01603 222824**

## Year End Return

**The Year End Return** is a statutory requirement that you as an employer must complete. The spreadsheet you need to use is available on the Norfolk Pension Fund employer portal.

The return must contain details of all your employees who have been active members of the scheme during the year.

These figures should reconcile with the total amount of contributions that you have paid to the Norfolk Pension Fund each month (SR71) during the year.

**The latest date for submission of the Year End Return is 30 April 2021, but it would be really helpful if you could please get yours to us as soon as possible after 1 April 2021.**

## Lifetime Allowance

**In the Budget on 3 March 2021**, the Chancellor announced that the Lifetime Allowance (LTA) – the maximum amount (of pension plus lump sum) that can be drawn from a pension scheme without triggering an extra tax charge – will, instead of being increased each year in line with the annual (September) CPI figure, be frozen at its current level (£1,073,100) until April 2026.

Further details on the LTA can be found on the news page of the [LGPS member website](#).

## 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 held 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



### Next Course Dates

- 12 & 19 April 2021 (two half days)
- 7 & 14 May 2021 (two half days)
- 23 & 29 July 2021 (two half days)
- 15 & 22 September 2021 (two half days)

***To book a place please contact***

**HR Direct, Norfolk County Council**

**01603 222212**

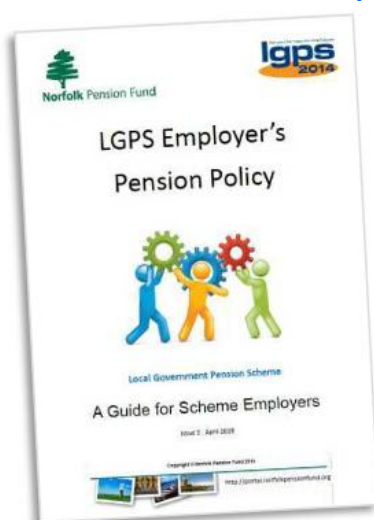
**[HRdirect@norfolk.gov.uk](mailto:HRdirect@norfolk.gov.uk)**

## Employer's Pension Policy and Internal Disputes

**Just a reminder of the importance** of keeping your Employer Pension Policy up to date. Your Employer Pension Policy should be sent to [graham.trussell@norfolk.gov.uk](mailto:graham.trussell@norfolk.gov.uk) within one month of joining the scheme and as soon as possible after making any update.

For more information please see the Employer Pensions Policy Guide (G060) available at [www.norfolkpensionfund.org/employers/forms-and-documents](http://www.norfolkpensionfund.org/employers/forms-and-documents)

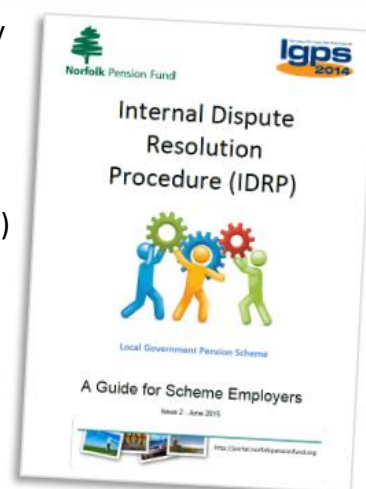
under the **'Guides'** tab.



The Policy usually specifies the person that your employees should contact in the first instance of any dispute.

For more information about managing Internal Disputes please refer to the **'Employer IDR Guide (G070)'** by visiting [www.norfolkpensionfund.org/employers/forms-and-documents](http://www.norfolkpensionfund.org/employers/forms-and-documents) under the **'Guides'** tab.

There is also a **'Scheme Member Guide to Disputes (G071)'** available at [www.norfolkpensionfund.org/governance/complaints-and-disputes](http://www.norfolkpensionfund.org/governance/complaints-and-disputes).



## Pensions Committee

**Norfolk County Council**, as Administering Authority of the Norfolk Pension Fund, delegates its pensions functions to Pensions Committee to administer the scheme on behalf of all participating employers and scheme members.

The Pensions Committee last met on Tuesday 2 March 2021.

As usual, the meeting was attended by Norfolk Pension Fund officers, who gave presentations on items covering:

- Administration Report including: maintaining stable operations; regulatory reform; Risk Management; membership and performance data; communications and engagement and LGPS National Frameworks
- Overview and approval of the 2021/22 Norfolk Pension Fund budget

- Update from the Pensions Oversight Board
- Update on Corporate Governance and Shareholder Engagement Report
- ACCESS update (unrestricted items)

You can watch a recording of the public part of the meeting on the Norfolk County Council YouTube channel [here](#).



## Contact Details

**(Postal address only)**

**County Hall  
Martineau Lane  
Norwich  
NR1 2DH**

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

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

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

**[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

## Provisional Audit Plan

Year ended 31 March 2021

30 March 2021





Audit Committee / Pensions Committee Members,  
Norfolk County Council  
County Hall  
Martineau Lane  
Norfolk - NR1 2DH

30 March 2021

Dear Audit Committee/ Pension Fund Committee Members,

**2020/21 Provisional External Audit Plan - Norfolk Pension Fund**

We are pleased to attach our provisional Audit Plan which sets out how we intend to carry out our responsibilities as your auditor. Its purpose is to provide the Audit Committee with a basis to review our proposed audit approach and scope for the 2020/21 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit for the Pension Fund, and outlines our planned audit strategy in response to those risks. Our planning procedures remain ongoing; we will inform the Audit Committee if there any significant changes or revisions once we have completed these procedures and will provide an update to the next meeting of the committee.

This report is intended solely for the information and use of the Audit Committee, the Pension Fund Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on the 22 April 2021 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

*MARK HODGSON*

Mark Hodgson  
Associate Partner  
For and on behalf of Ernst & Young LLP  
Enc

# Contents



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psaa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature. This report is made solely to the Audit Committee and management of Norfolk Pension Fund in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee, and management of Norfolk Pension Fund those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee, and management of Norfolk Pension Fund for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.





01

# Overview of our 2020/21 audit strategy





## Overview of our 2020/21 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

### Audit risks and areas of focus

Risk / area of focus	Risk identified	Change from PY	Details
Misstatements due to fraud or error	Fraud risk	No change in risk or focus	<p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>We identify and respond to this fraud risk on every audit engagement.</p>
Investment Income and Asset valuation - Investment Journals	Fraud risk	No change in risk or focus	<p>We have considered the key areas where management has the specific opportunity and incentive to override controls.</p> <p>We have identified the main area as being around the Investment Income and Asset valuations being taken from the Custodian reports and incorrectly posted to the general ledger in the year, specifically through journal postings, to secure a more favourable reported financial position.</p>
Valuation of complex investments (Unquoted investments)	Inherent risk	Decrease in risk assessment (was a significant risk in 2019-20)	<p>The Fund's investments include unquoted pooled investment vehicles such as private equity and property investments.</p> <p>Key judgements are taken by the Investment Managers to value these investments whose prices are not publically available. The material nature of this type of investment, means that any error in judgement could result in a material valuation error.</p> <p>Market volatility means such judgments can quickly become outdated, especially when there is a significant time period between the latest available audited information and the fund year end. Such variations could therefore have a material impact on the carrying value of the investments within the financial statements.</p> <p>In 2019/20 approximately 19% of the overall fund fell within this investment type, and as these investments are more complex to value, we have identified the Fund's investments in private equity and pooled property investments as a higher risk estimate, as even a small movement in the valuation assumptions could have a material impact on the financial statements.</p>

## Overview of our 2019/20 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

### Audit risks and areas of focus

Risk / area of focus	Risk identified	Change from PY	Details
IAS 26 disclosure - Actuarial Present Value of Promised Retirement Benefits	Inherent risk	No change in risk or focus	<p>An actuarial estimate of the pension fund liability to pay future pensions is calculated by an independent firm of actuaries with specialist knowledge and experience. The estimate is based on a roll-forward of data from the previous triennial valuation in 2019/20, updated where necessary, and has regard to local factors such as mortality rates and expected pay rises along with other assumptions around inflation and investment yields when calculating the liability.</p> <p>There is a risk that the valuation uses inappropriate assumptions to value the liability as at the 31 March 2021.</p>

## Overview of our 2020/21 audit strategy

### Materiality

Planning  
materiality

£36m

Materiality has been set at £36.211 million, which represents 1% of the prior year's audited Net Assets of the scheme available to fund benefits. The Pension Fund is a public interest entity and a major local authority based on its size, we have considered the overall risk profile and public interest in comparison to other Pension Funds. As such we have set planning materiality to 1% of net assets.

Performance  
materiality

£27m

Performance materiality has been set at £27.158 million, which represents 75% of materiality. This is the upper end of our range based on a lower level of errors identified in previous periods.

Audit  
differences

£1.8m

We will report all uncorrected misstatements relating to the primary statements (Net Assets Statement and Pension Fund Accounts) greater than £1.811 million. Other misstatements identified will be communicated to the extent that they merit the attention of the Audit Committee.

# Overview of our 2020/21 audit strategy

## Audit scope

This provisional Audit Plan covers the work that we plan to perform to provide you with:

- Our audit opinion on whether the financial statements of Norfolk Pension Fund (the Pension Fund) give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2021 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2021; and
- Our opinion on the consistency of the Pension Fund financial statements within the Pension Fund annual report with the published financial statements of Norfolk County Council.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Pension Fund.

Taking the above into account, and as articulated in this Audit Plan, our professional responsibilities require us to independently assess the risks associated with providing an audit opinion and undertake appropriate procedures in response to that. Our Terms of Appointment with PSAA allow them to vary the fee dependent on "the auditors assessment of risk and the work needed to meet their professional responsibilities". PSAA are aware that the setting of scale fees has not kept pace with the changing requirements of external audit and the increased regulatory focus on audit quality. Therefore, to the extent any of these or any other risks that are relevant in the context of Norfolk Pension Fund's audit, we will discuss these with management as to the impact on the scale fee.

## Audit team changes

Sappho Powell, a Senior Manager within our Government & Public Sector team, will be replacing David Riglar in the role of Senior Audit Manager for the engagement. Sherald Ang will be taking on the role of Lead Senior for the engagement.

Mark Hodgson remains in his role as Partner in Charge of the audit.



02

## Audit risks





## Our response to significant risks

We have set out the significant risks (including fraud risks \*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

	What is the risk?	What will we do?
<p><b>Misstatements due to fraud or error*</b></p>	<p>The financial statements as a whole are not free of material misstatements whether caused by fraud or error.</p> <p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>We identify and respond to this fraud risk on every audit engagement.</p> <p>As part of our work to identify fraud risks during the planning stages, we have identified those areas of the where the risk of manipulation could specifically manifest itself.</p> <p>These are set out on the following page.</p>	<p>We will undertake our standard procedures to address fraud risk, which include:</p> <ul style="list-style-type: none"> <li>▶ Identifying fraud risks during the planning stages.</li> <li>▶ Inquiring of management about risks of fraud and the controls put in place to address those risks.</li> <li>▶ Understanding the oversight given by those charged with governance of management's processes over fraud.</li> <li>▶ Considering the effectiveness of management's controls designed to address the risk of fraud.</li> <li>▶ Determining an appropriate strategy to address those identified risks of fraud.</li> <li>▶ Performing mandatory procedures regardless of specifically identified fraud risks, including; <ul style="list-style-type: none"> <li>▶ testing of journal entries and other adjustments in the preparation of the financial statements;</li> <li>▶ reviewing accounting estimates for evidence of management bias; and</li> <li>▶ evaluating the business rationale for significant unusual transactions.</li> </ul> </li> </ul> <p>We will utilise our data analytics capabilities to assist with our work, including journal entry testing. We will assess journal entries for evidence of management bias and evaluate for business rationale.</p>

## Our response to significant risks (continued)

### Investment income and asset valuations - Investment Journals\*

#### What is the risk?

We have considered the key areas where management has the opportunity and incentive to override controls that could affect the Fund Account and the Net Asset Statement.

We have identified the main area as being:

- ▶ Investment Income (£84.2 million in 2019/20) and Asset valuations (£3.618 billion at 31 March 2020) being taken from the Custodian reports and incorrectly posted to the general ledger in the year, specifically through journal postings.

#### What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ Test journals at year-end to ensure there are no unexpected or unusual postings;
- ▶ Undertake a review of reconciliations to the fund manager and custodian reports and investigate any reconciling differences;
- ▶ Re-perform the detailed investment note using the reports we have acquired directly from the custodian or fund managers;
- ▶ Check the reconciliation of holdings included in the Net Assets Statement back to the source reports; and
- ▶ For quoted investment income we will agree the reconciliation between fund managers and custodians back to the source reports.

## Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

### What is the risk/area of focus?

#### Valuation of Complex Investments (Unquoted Investments)

The Fund's investments include unquoted pooled investment vehicles such as private equity, and property investments.

Key judgements are taken by the Investment Managers to value these investments whose prices are not publicly available. The material nature of this type of investment, means that any error in judgement could result in a material valuation error.

Market volatility means such judgments can quickly become outdated, especially when there is a significant time period between the latest available audited information and the fund year end. Such variations could therefore have a material impact on the carrying value of the investments within the financial statements.

In 2019/20 approximately 19% of the overall fund fell within this investment type, and as these investments are more complex to value, we have identified the Fund's investments in private equity and pooled property investments as a higher risk estimate, as even a small movement in the valuation assumptions could have a material impact on the financial statements.

#### IAS 26 disclosure - Actuarial Present Value of Promised Retirement Benefits

The Fund's IAS 26 calculation shows that the present value of promised retirement benefits amount to £5,199 million as at 31 March 2020.

The figure is material and subject to complex estimation techniques and judgements by the Actuary, Hymans Robertson. The estimate is based on a roll-forward of data from the previous triennial valuation in 2019/20, updated where necessary, and has regard to local factors such as mortality rates and expected pay rises along with other assumptions around inflation and investment yields when calculating the liability.

There is a risk that the valuation uses inappropriate assumptions to value the liability as at the 31 March 2021.

### What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ Assessing the competence of management experts;
- ▶ Reviewing the basis of valuation for property investments and other unquoted investments and assessing the appropriateness of the valuation methods used;
- ▶ Where available, reviewing the latest audited accounts for the relevant fund managers and ensuring there are no matters arising that highlight material differences in the reported funds valuation within the financial statements; and
- ▶ Performing analytical procedures and checking the valuation output for reasonableness against our own expectations.

In order to address this risk we will carry out a range of procedures including:

- ▶ Assessing the competence of management experts, Hymans Robertson;
- ▶ Engaging with the NAO's consulting actuary and our EY Pensions Advisory Team to review the IAS26 approach applied by the actuary are reasonable and compliant with IAS26; and
- ▶ Ensuring that the IAS26 disclosure is in line with the relevant standards and consistent with the valuation provided by the Actuary.



03

## Audit materiality



# Materiality

### Materiality

For planning purposes, materiality for 2020/21 has been set at £36.211 million. This represents 1% of the Pension Fund's prior year audited Net Assets. It will be reassessed throughout the audit process. In an audit of a pension fund we consider the net assets to be the appropriate basis for setting the materiality as they represent the best measure of the schemes' ability to meet obligations rising from pension liabilities. We have provided supplemental information about audit materiality in Appendix D.



We request that the Audit Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

### Key definitions

**Planning materiality** – the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

**Performance materiality** – the amount we use to determine the extent of our audit procedures. We have set performance materiality at £27.16 million which represents 75% of planning materiality – consistent with the prior year level. We have considered a number of factors such as the number of errors in prior year and any significant changes in 2020/21 when determining the percentage of performance materiality.

**Audit difference threshold** – we propose that misstatements identified below this threshold are deemed clearly trivial. We will report to you all uncorrected misstatements over this amount relating to the Fund Account and Net Asset Statement.

Other uncorrected misstatements, such as reclassifications, misstatements in disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Audit Committee and Pension Fund Committee, or are important from a qualitative perspective.





## 04 Scope of our audit



# Our Audit Process and Strategy

### Objective and Scope of our Audit scoping

Under the Code of Audit Practice our principal objectives are to review and report on the Pension Fund's financial statements and arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers the financial statement audit.

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK), as well as on the consistency of the Pension Fund financial statements (within the published financial statements of Norfolk County Council) with the Pension Fund Annual Report..

We also perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

#### Procedures required by standards

- Addressing the risk of fraud and error;
- Significant disclosures included in the financial statements;
- Entity-wide controls;
- Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- Auditor independence.

#### Procedures required by the Code

- Reviewing, and reporting on as appropriate, other information published with the financial statements.

We are also required to discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.



# Our Audit Process and Strategy (continued)

### Audit Process Overview

Our audit involves:

- ▶ Identifying and understanding the key processes and internal controls;
- ▶ Substantive tests of detail of transactions and amounts; and
- ▶ Reviewing and assessing the work of experts in relation to areas such as valuation of the Pension Fund to establish if reliance can be placed on their work.

For 2020/21 we plan to follow a substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated.

#### **Analytics:**

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Audit Committee.

#### **Internal audit:**

As in the prior year we will review internal audit plans and the results of their work where relevant to this engagement. We consider these when designing our overall audit approach and when developing in our detailed testing strategy. We may also reflect relevant findings from their work in our reporting, where it raises issues that we assess could have a material impact on the year-end financial statements.

#### **IAS19 procedures:**

In addition to the above, we also perform procedures on behalf of the Norfolk Pension Fund admitted body auditors concerning IAS 19 reports. Our work specifically focuses on gaining assurance that the data submitted to the actuary agrees to the Pension Fund's systems. This approach minimises disruption to the Pension Fund as only one set of auditors will perform procedures on the data.



05

## Audit team



## Audit team

The engagement team is led by Mark Hodgson, who has significant experience on Pension Fund audits.

Mark is supported by Sappho Powell, a Senior Manager within our Government & Public Sector team, who is responsible for the day-to-day direction of audit work and is the key point of contact for the Senior Accountant. The audit team will be lead by Sherald Ang, Senior.

## Use of specialists

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Pensions Liability	Hymans Robertson (Norfolk Pension Fund actuary) PwC (Consulting Actuary to the NAO on behalf of audit providers) EY Pensions Advisory Team (if required)
Investment Valuation	The Pension Fund's Custodian and Fund Managers EY Pensions Advisory Team EY Real Estate Valuation Team

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Pension Fund's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.





## 06 Audit timeline



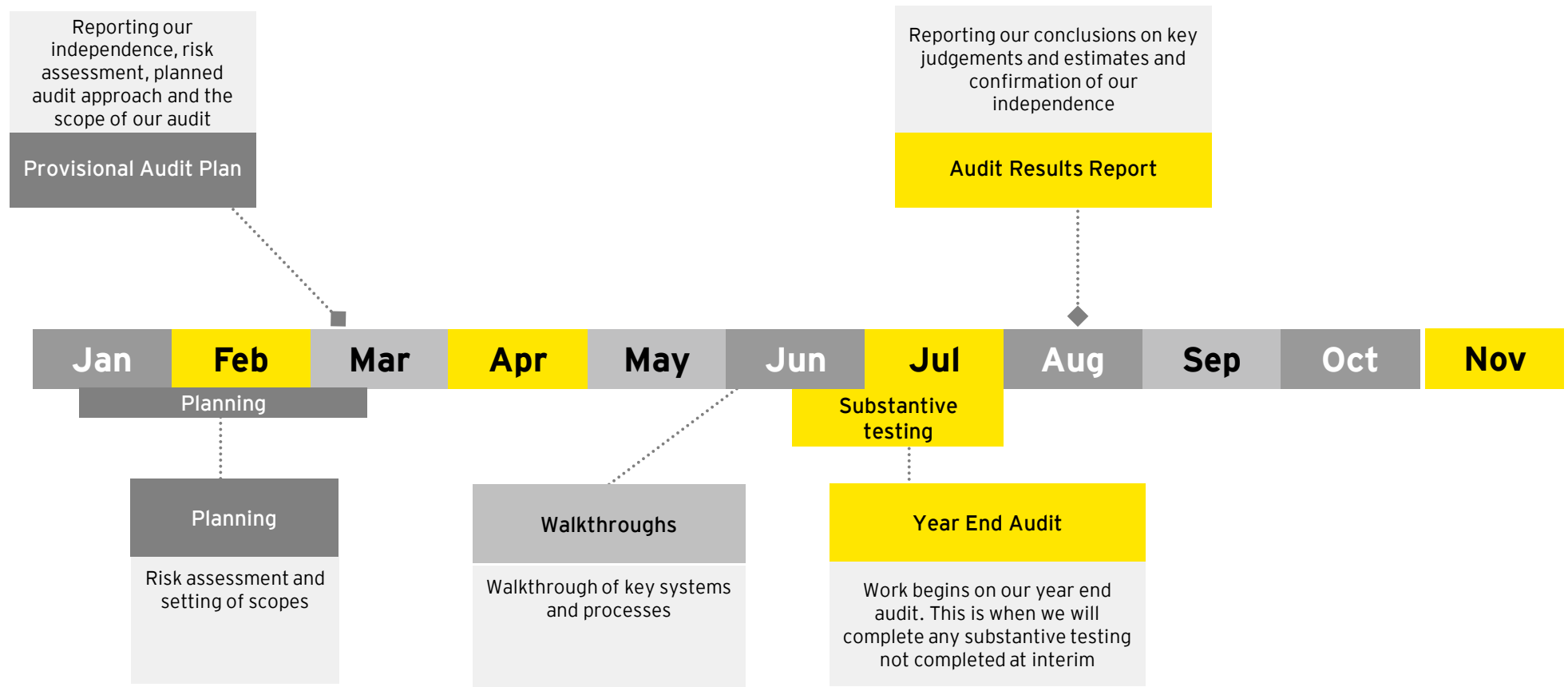


## Audit timeline

# Timetable of communication and deliverables

### Timeline

Below is a proposed timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2020/21. From time to time matters may arise that require immediate communication with the Audit Committee and we will discuss them with the Audit Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.







07

## Independence





## Introduction

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in June 2016, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

### Required communications

Planning stage	Final stage
<ul style="list-style-type: none"> <li>▶ The principal threats, if any, to objectivity and independence identified by Ernst &amp; Young (EY) including consideration of all relationships between the you, your affiliates and directors and us;</li> <li>▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;</li> <li>▶ The overall assessment of threats and safeguards;</li> <li>▶ Information about the general policies and process within EY to maintain objectivity and independence.</li> <li>▶ Where EY has determined it is appropriate to apply more restrictive independence rules than permitted under the Ethical Standard [note: additional wording should be included in the communication reflecting the client specific situation]</li> </ul>	<ul style="list-style-type: none"> <li>▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;</li> <li>▶ Details of non-audit services provided and the fees charged in relation thereto;</li> <li>▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;</li> <li>▶ Written confirmation that all covered persons are independent;</li> <li>▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;</li> <li>▶ Details of any contingent fee arrangements for non-audit services provided by us or our network firms; and</li> <li>▶ An opportunity to discuss auditor independence issues.</li> </ul>

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future services that have been contracted, and details of any written proposal to provide non-audit services that has been submitted;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

## Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

### Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Mark Hodgson, your audit engagement partner and the audit engagement team have not been compromised.

### Self interest threats

A self interest threat arises when EY has financial or other interests in the Pension Fund. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES or the National Audit Office's Auditor Guidance Note 01 and the services have been approved in accordance with your policy on pre-approval. The ratio of non audit fees to audits fees is not permitted to exceed 70%.

At the time of writing, there are no non-audit services provided by us to the Pension Fund.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no other self interest threats at the date of this report.

### Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

## Relationships, services and related threats and safeguards

### Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the Pension Fund. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

### Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

## Other communications

### EY Transparency Report 2020

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2020:

[https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_uk/about-us/transparency-report-2020/ey-uk-2020-transparency-report.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/about-us/transparency-report-2020/ey-uk-2020-transparency-report.pdf)



## 08 Appendices



## Appendix A

### Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

	Planned fee 2020/21	Scale fee 2020/21	Final Fee 2019/20
	£'s	£'s	£'s
Total Fee - Code work	20,866	20,866	20,866
Changes in work required to address professional and regulatory requirements and scope associated with risk (Note 1)	40,005	-	40,005
Additional work required for Covid-19 considerations	To be confirmed	-	8,337
Additional Audit Fee in respect of work on behalf of Admitted Body auditors (recharged to the Pension Fund) (Note 23)	8,000	-	11,500
<b>Total fees</b>	<b>To be confirmed</b>	<b>20,866</b>	<b>80,708</b>

In addition, we are driving greater innovation in the audit through the use of technology. The significant investment costs in this global technology continue to rise as we seek to provide enhanced assurance and insight in the audit.

The agreed fee presented is based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our accounts opinion being unqualified;
- Appropriate quality of documentation is provided by the Pension Fund; and
- The Pension Fund has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Pension Fund in advance.

#### *All fees exclude VAT*

**Note 1:** For 2019/20 and 2020/21 the scale fee has been re-assessed to take into account a number of risk factors and is with PSAA Ltd to be determined.

**Note 2:** In 2019/20, we had to perform additional procedures to address the risks resulting from Covid-19. These are subject to formal approval by PSAA Ltd. We cannot quantify the impact of any work resulting as a response to C-19 risks in 2020/21 at this point. We will provide an update on the additional fee implications at the conclusion of the audit.




**Note 3:** We anticipate charging an additional fee of £8,000 in 2020/21 to take into account the additional work required to respond to IAS19 assurance requests from admitted bodies and their auditors. For 2019/20 we were also required to perform additional procedures over the 2019 triennial valuation on the Fund on behalf of admitted body auditors. The Pension Fund can recharge this fee to the relevant admitted bodies.



## Appendix B

# Required communications with the Audit Committee




We have detailed the communications that we must provide to the Audit Committee.

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Terms of engagement	Confirmation by the Audit Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Audit Plan (Provisional) - 22 April 2021 - Audit Committee
Significant findings from the audit	<ul style="list-style-type: none"> <li>▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>▶ Significant difficulties, if any, encountered during the audit</li> <li>▶ Significant matters, if any, arising from the audit that were discussed with management</li> <li>▶ Written representations that we are seeking</li> <li>▶ Expected modifications to the audit report</li> <li>▶ Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	Audit Results Report - October 2021 - Audit Committee






## Appendix B

# Required communications with the Audit Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>▶ Whether the events or conditions constitute a material uncertainty</li> <li>▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▶ The adequacy of related disclosures in the financial statements</li> </ul>	Audit Results Report - October 2021 - Audit Committee
Misstatements	<ul style="list-style-type: none"> <li>▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation</li> <li>▶ The effect of uncorrected misstatements related to prior periods</li> <li>▶ A request that any uncorrected misstatement be corrected</li> <li>▶ Corrected misstatements that are significant</li> <li>▶ Material misstatements corrected by management</li> </ul>	Audit Results Report - October 2021 - Audit Committee
Fraud	<ul style="list-style-type: none"> <li>▶ Enquiries of the Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>▶ A discussion of any other matters related to fraud</li> </ul>	Audit Results Report - October 2021 - Audit Committee
Related parties	<ul style="list-style-type: none"> <li>▶ Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</li> <li>▶ Non-disclosure by management</li> <li>▶ Inappropriate authorisation and approval of transactions</li> <li>▶ Disagreement over disclosures</li> <li>▶ Non-compliance with laws and regulations</li> <li>▶ Difficulty in identifying the party that ultimately controls the entity</li> </ul>	Audit Results Report - October 2021 - Audit Committee

## Appendix B




# Required communications with the Audit Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>▶ The principal threats</li> <li>▶ Safeguards adopted and their effectiveness</li> <li>▶ An overall assessment of threats and safeguards</li> <li>▶ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul>	<p>Audit Plan (Provisional) - 22 April 2021 - Audit Committee</p> <p>Audit Results Report - October 2021 - Audit Committee</p>
External confirmations	<ul style="list-style-type: none"> <li>▶ Management's refusal for us to request confirmations</li> <li>▶ Inability to obtain relevant and reliable audit evidence from other procedures</li> </ul>	Audit Results Report - October 2021 - Audit Committee
Consideration of laws and regulations	<ul style="list-style-type: none"> <li>▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off</li> <li>▶ Enquiry of the Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit Committee may be aware of</li> </ul>	Audit Results Report - October 2021 - Audit Committee
Internal controls	<ul style="list-style-type: none"> <li>▶ Significant deficiencies in internal controls identified during the audit</li> </ul>	Audit Results Report - October 2021 - Audit Committee



## Appendix B

# Required communications with the Audit Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Representations	Written representations we are requesting from management and/or those charged with governance	Audit Results Report - October 2021 - Audit Committee
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise.	Audit Results Report - October 2021 - Audit Committee
Auditors report	<ul style="list-style-type: none"> <li>▶ Key audit matters that we will include in our auditor's report</li> <li>▶ Any circumstances identified that affect the form and content of our auditor's report</li> </ul>	Audit Results Report - October 2021 - Audit Committee
Fee Reporting	<ul style="list-style-type: none"> <li>▶ Breakdown of fee information when the audit plan is agreed</li> <li>▶ Breakdown of fee information at the completion of the audit</li> <li>▶ Any non-audit work</li> </ul>	Audit Plan (Provisional) - 22 April 2021 - Audit Committee
		Audit Results Report - October 2021 - Audit Committee

## Additional audit information

### Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

#### Our responsibilities required by auditing standards

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pension Fund's internal control.
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting.
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Pension Fund to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements and reporting whether it is materially inconsistent with our understanding and the financial statements.
- ▶ Maintaining auditor independence.

### Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- ▶ The locations at which we conduct audit procedures to support the opinion given on the financial statements; and
- ▶ The level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.



<By email>

Ms S. Powell  
Audit Manager  
Ernst & Young LLP  
One Cambridge Business park  
Cambridge  
CB4 0WZ

Councillor J Oliver  
Chairman  
Norfolk Pensions Committee  
Norfolk County Council  
Martineau Lane  
Norwich  
NR1 2DH

6th July 2021

Dear Sappho,

**Understanding how the Pension's Committee gains assurance from management –  
Norfolk Pension Fund for the year ended 31 March 2021**

Thank you for your letter, dated 07 June 2021, requesting to formally update your understanding of our arrangements for oversight of management processes and arrangements annually. I am happy to respond to your questions as follows:

- 1) How does the Pensions Committee, as ‘those charged with governance’ at the Authority, exercise oversight of management’s processes in relation to:**
  - a) undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud or error (including the nature, extent and frequency of these assessments);**

The Pensions Committee and, for that matter, the Council’s Audit Committee have considered the reporting arrangements for risk management and internal control, understand them and ensure that they are maintained. The Committees monitor the reporting and ensure that if any action is required that it is completed in a timely way.

The Terms of Reference for the Pension Fund (as detailed in Appendix 2 of [The Constitution](#) approved on 7 May 2019, and recently agreed at Council on 19 April 2021, and the Fund’s [Governance Statement](#) as at June 2020) sets out the Pension Committee’s responsibilities. The terms of reference for the Audit Committee sets out their responsibilities, and was recently agreed in the [Audit Committee 22 April 2021](#) (page 160), including those in relation to the Pension Fund. The Audit Committee received an update on the [Pension Committee’s consideration of governance matters](#), (page 55) as reported 30 July 2020. A similar report will be presented to the Audit Committee in July 2021, no significant changes are expected.

The Pensions Committee in [March 2021](#) approved the [Internal Audit Plan](#) for 2020-21 as part of its Administration Report at page 26. The plans contain internal audits providing assurance on the controls in place to minimise the risk that financial statements may be

materially misstated due to fraud or error. The Annual Internal Audit Plans for 2020-21 are risk based and take the risk of fraud and material misstatement into consideration.

Audit reports identifying significant control weaknesses over material sums are considered as being of corporate significance. Pensions Committee members have access to quarterly performance reporting produced by the Fund's external investment advisor.

The Pensions Committee also receives and [Annual Internal Audit Report](#) (Norfolk Audit Services Annual Internal Audit Report 2019-20 for the Norfolk Pension Fund July 2020 item 9, page 25). The reports for 2020-21 are to be reported in July 2021, however no significant changes are expected.

The Pensions Committee takes proactive steps to identify topics and issues where it requires more information or would like to make recommendations. A copy of the Pensions Committee forward plan detailing the reports to be considered at the next four Committee meetings is attached as an appendix to the Fund Administration report. A Fund Administration report is taken to each Pension Committee meeting. During the year no additional reporting topics have been requested by the Pensions Committee.

The Council has an [Anti Fraud and Corruption Strategy](#) which sets out the culture for members, staff and other external bodies that the Council does business with. The strategy sets out the arrangements to prevent, detect, investigate and seek prosecution of any person found guilty of a fraudulent or corrupt act against the Council. The Strategy has been applied where appropriate throughout the year and any significant fraud investigations have been reported where they have been completed. The Pensions Committee is therefore aware of the process for identifying and responding to the risks of fraud generally and of the specific risks of misstatement in the financial statements.

The Pensions Committee has adopted and follows the County Council's Financial Regulations, Contract Standing Orders, Whistle blowing, which sets out the culture for Members, staff and other external bodies that the Council does business with.

New members joining the Pensions Committee (and existing members) are provided with comprehensive training to ensure they have the knowledge and expertise required to carry out their roles, to ensure the effective governance and administration of the Fund and to 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. The training strategy was reviewed and re-issued in December 2020

- b) **identifying and responding to risks of fraud in the Authority, including any specific risks of fraud which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclose for which a risk of fraud is likely to exist:**

The Pensions Committee and Audit Committee have considered the reporting arrangements for risk management and internal control, understand them and ensure that they are maintained. The Committees monitor the reporting and ensure that if any action is required that it is completed in a timely way.

The Pensions Committee relies on the Audit Committee to provide the core functions of an audit committee on behalf of the County Council. Norfolk Audit Service's strategy for the delivery of the audit service provides for delivery of work for the County Council, for



instance in reporting to the Audit Committee and facilitation of the delivery of the Council's Annual Governance Statement. As above, the Pensions Committee approves an annual internal audit plan.

The completed audits provide assurance on the adequacy and effectiveness of internal controls and risk management. An action plan is completed for any findings and where it is found that there are any key issues to be addressed. Corporate High Priority Findings are monitored by the Chief Internal Auditor to ensure that the risk has been satisfactorily controlled. Findings that increase the risk of fraud are highlighted. The external auditors are provided with audit reports and may place reliance on this work. The audit work is reported annually to the Pensions Committee and Audit Committee containing an opinion on the adequacy and effectiveness of risk management and internal controls.

The Pension Fund have adopted the County Council Risk Management Framework, have their own risk register which is reviewed quarterly and reported in summary to the Pension Committee half yearly, as seen most recently in the [December 2020 Pension Committee](#) (page 12, the forward programme on page 109 also sets out the next 2 reports in July and December 2021). This would report significant risks of fraud should they arise. These reports are available to the Audit Committee, which is satisfied with the arrangements that it has in place for reviewing the Council's and Pension Fund's processes and management's responses to those processes. The County Council has a Risk Management Framework and Policy which is reviewed every two years by the Audit Committee and significant changes are reported to and approved by the Council. The Cabinet and Audit Committee also receive and consider a quarterly risk management update highlighting key changes made to the corporate risk register in the quarter, an up to date corporate risk register and an assessment from the Risk Management Officer, as to whether risks are being satisfactorily managed.

**c) communicating to employees its view on business practice and ethical behaviour (for example by updating, communicating and monitoring against the Authority's code of conduct);**

The Council's [Annual Governance Statement for Norfolk County Council 2019-20](#) provides assurance that the Audit Committee's governance framework, including the system of internal control, is adequate and effective.

The County Council's Audit Committee receives an Annual report ([Monitoring Officer Annual Report 2019-20](#) (page 294) from the Council's Director of Governance (Chief Legal Officer), who is also the Monitoring Officer for Norfolk Pension Fund, reporting on the areas of governance that they are responsible for and giving assurances.

Staff are advised of the requirements on induction and promotion of the standards via management (Norfolk Manager). The Audit Committee has taken fraud, error and whistleblowing very seriously and has commissioned and requested new Learning & Development to be rolled out. The Audit Committee have asked for additional communications, such as a staff bulletin on the NCC approach.

A [Code of Corporate Governance](#) was approved by the then Policy and Resources Committee in early 2018.

The Pension Fund has adopted the Council's Anti-Fraud and Corruption Strategy, as well as the whistle-blowing Policy and Standards of Conduct and these have been promoted through the Councils' Intranet site and via management.

**d) encouraging employees to report their concerns about fraud;**

As Administering Authority of the Norfolk Pension Fund, the Council's Anti Fraud and Corruption Strategy, Whistle-blowing Policy, Money Laundering Policy and the Standards of Conduct are promoted through staff newsletters and on the Council's Intranet site as well as through training for non-financial managers. The Pensions Committee and Audit Committee are aware, through the Annual Internal Audit Reports, of the arrangements Chief Officers have in place for communicating with employees, members, partners and stakeholders regarding ethical governance and standards of conduct and behaviour.

As above, the Audit Committee has taken fraud, error and whistleblowing very seriously and has commissioned and requested new learning and development to be rolled out to encourage employees to report their concerns about fraud. There are two e-learning modules for Anti-Fraud available on the learning hub. One module is focused on raising 'Fraud Awareness' for all staff and the other aimed at managers enabling them to 'Prevent and Detect Fraud'. During the year the profile of these courses have been raised and staff in key financial roles have been encouraged to complete the course(s) relevant to their roles. The Audit Committee has noted that a new eLearning course has been designed and rolled out to all staff in Finance and Commercial Services including the Norfolk Pension Fund. The training will also be required for other key staff, as recommended by the Committee.

The [Whistleblowing policy](#) was updated in November 2018, and is currently being amended following Audit Committee approval in April 2021 for its most recent update. Any disclosures must be reported to the Chief Internal Auditor who will arrange for them to be investigated.

The Pension Fund has adopted the Council's Whistle-blowing Policy, Money Laundering Policy and the Standards of Conduct.

**e) communicating to you the processes for identifying and responding to fraud or error?**

The Pensions (and Audit) Committee are aware that for operational and confidentiality reasons it is not possible to report publicly on ongoing investigations, until they have been completed.

The action taken on completed audit work and any fraud investigations is detailed in the Annual Internal Audit Report that the Audit Committee considers. The Chairman would be briefed on the progress of any significant investigations during the year. An Anti-Fraud and Corruption Update is reported to the Audit Committee, for example the [Annual report](#) in April 2021, page 215. [Anti-Fraud, Bribery and Corruption Report](#). The Anti Fraud and Corruption strategy sets out specific objectives and measures to report on the success of the strategy.

The Anti Fraud and Corruption strategy sets out specific objectives and measures to report on the success of the strategy.

The Pension Fund undertakes anti fraud measures such as data matching and life checks.



**2) How does the Pensions Committee oversee management processes for identifying and responding to the risk of fraud and possible breaches of internal control?**

See question one above. An Annual Internal Audit Report is presented to the Pensions Committee giving assurance on internal controls and risk management, including the risk of fraud.

**3) Is the Committee aware of any:**

- **Breaches of, or deficiencies in, internal control:**

The Pensions Committee are not aware of any breaches of, or deficiencies in, internal control.

- **Actual, suspected or alleged frauds during 2020-21**

The Committee are not aware of any material actual, suspected or alleged frauds during 2020-21. The Audit Committee is aware of fraud risks and the good practice promulgated by the Fighting Fraud and Corruption Locally Strategy, from the European Institute for Combatting Corruption and Fraud (TEICAFF) Protecting the Public Purse Report and the CIPFA Code of Practice for Counter Fraud.

**4) Is the Committee aware of any organisational or management pressure to meet financial or operating targets?**

There is no unreasonable or disproportionate pressure that we are aware of. The Pension Fund is run on behalf of its participating employers and scheme members. The Fund's assets are ring-fenced and all the costs of administering the pension fund are met by the Fund. Savings on Pension Fund expenditure accrue within the Fund and do not contribute directly towards, for example, Norfolk County Councils cost reduction targets or those of any other employer in the fund.

**5) How does the Pensions Committee gain assurance that all relevant laws and regulations have been complied with? Are you aware of any instances of non-compliance during 2020-21?**

The Chief Legal Officer is the Monitoring Officer for NCC and reports annually to the Audit Committee. This means that they are responsible for ensuring compliance with relevant laws and regulations, including those for the Pension Fund.

The Monitoring Officer has not reported any instances of non-compliance during 2020-21, to date.

**6) Is the Pensions Committee aware of any actual or potential litigation or claims that would affect the financial statements?**

The Committee are not aware of any actual or potential litigation or claims that would materially affect the financial statements.

**7) How does the Pensions Committee satisfy itself that it is appropriate to adopt the going concern basis in preparing the financial statements?**

The Pensions Committee has access to the Investment reports, Actuary reports and Annual Statement of Accounts. Additionally, the Triennial valuation, Funding Strategy and Investment Strategy Statements set out the funding and investment strategy for the Fund. The finance updates in 2020-21 have not identified any material issues with financial management or the financial resilience of the Norfolk Pension Fund.

**8) What does the Pensions Committee consider to be the related parties that are significant to the Authority and what is its understanding of the relationships and transactions with those related parties?**

The [Norfolk Pension Fund Annual Report and Accounts 2019-20](#) describe the related parties. The arrangements are not expected to change significantly for the 2020-21 reporting.

**9) Does the Pensions Committee have concerns regarding relationships or transactions with related parties and, if so, what is the substance of those concerns?**

The Pensions Committee has no such concerns.

I trust this response meets your requirements but if you have any further questions please do not hesitate to contact me or the audit team for clarifications.

Yours sincerely,

<By email>

Councillor Judy Oliver  
Chairman of the Pensions Committee



Norfolk Audit Services (NAS)

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**Norfolk Pension Fund  
Annual Internal Audit Report 2020-21**

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<b>Section Numbers</b>	<b>Contents</b>
1	Introduction
2	Background and Audit Opinion Explanation
3	Key Messages
4	Pension Fund Internal Audit Work
5	Review of effectiveness of systems of Internal Audit
6	Quality Assurance
7	Engaging Specialists
8	Annual Governance Statement
9	Responsibilities in relation to fraud
10	Acknowledgement

## **1. Introduction**

- 1.1 The Executive Director of Finance and Commercial Services is responsible for the administration and financial accounting of the Pension Fund. The Pensions Committee is formally briefed by the Executive Director of Finance and Commercial Services and Director of Norfolk Pension Fund on a quarterly basis.
- 1.2 Norfolk Audit Services (NAS) produces this annual report for the Pensions Committee. This Annual Internal Audit Report details the overall opinion on the system of internal control including the arrangements for the management of risk and details the level of audit coverage for the year.
- 1.3 During the year internal audit made detailed reports on three audits in the plan to the relevant Manager, including an audit opinion and an agreed action plan. A management letter was issued for one audit topic. This work is considered enough to support our annual opinion. Whilst the ongoing response to the pandemic, related regulations and requirements led to some operational changes in both the Pension Fund and the internal audit service the planned internal audit work was successfully delivered remotely. We ensured that the Pension Fund was not negatively impacted by the planned audit work.
- 1.4 Internal Audit's role is to ensure that there is evidence of compliance with the Pension Fund's objectives, rules and procedures. Where such compliance does not exist, internal audit makes recommendations to ensure that proper controls are in place. Some audits carried out are based on the perceived risk to the Pension Fund as assessed using the internal audit risk model, whilst others are requested by the Pension Fund.
- 1.5 The approach NAS takes to its role is set out in its own Terms of Reference, Code of Ethics and Strategy, as approved by the County Council's Audit Committee.
- 1.6 The Internal Audit team, as part of the system of internal control, has provided an effective, efficient and economic function during the year, supporting Pension Committee, the Executive Director of Finance and Commercial Services, the Pension Fund Management Team and the service.

## **2. Background and Audit Opinion Explanation**

- 2.1 The County Council's Finance and Commercial Services Department exists to provide a financial advisory, transactional and support service to the Council and its customers. The Department is principally focused on delivery of its services to Norfolk County Council, including the Norfolk Pension Fund.
- 2.2 During the year internal audit reported as follows for the Pension Fund (and Council as host) as relevant:
  - Detailed reports to the relevant Executive Directors
  - Reporting to senior management on corporate high priority findings from audits
  - Quarterly reports to the Audit Committee



- Relevant topical reports to the Audit Committee as requested
- Annual report to the Pensions Committee
- Annual Audit Plan to the Pensions Committee

2.3 As part of the Council's overall Good Governance Framework, the Executive Director of Finance and Commercial Services provides an annual opinion on the adequacy and effectiveness of the system of internal control including risk management. This informs the reporting of the Annual Governance Statement for the Fund. The latest draft version of this document is published within the NCC Annual Statement of Accounts and can be viewed on the NCC website.

[Statement of accounts - Norfolk County Council](#)

2.4 The overall audit opinion is that the adequacy and effectiveness of the system of internal control, including risk management, for the Norfolk Pension Fund is 'Acceptable' and therefore considered 'sound', is based on work undertaken during the year.

2.5 The collective assurance roles of internal audit, other internal assurance providers and external audit are coordinated and optimised. The resourcing of the internal audit function is considered adequate.

### **3. Key messages**

3.1 The key messages for the Pension Fund for 2020-21 are that:

- There is evidence of compliance with the Pension Fund's objectives, rules and procedures. Whilst the ongoing response to the pandemic, related regulations and requirements led to some operational changes in the Pension Fund, in particular remote working, these did not have a negative impact on controls and risk.
- Based on an analysis of the audit work carried out and reports issued, NAS can assure the Pensions Committee that the adequacy and effectiveness of the system of internal control, including the arrangement for the management of risk, for the Pension Fund during 2020-21 was 'Acceptable' and therefore considered sound. Sufficient audits were performed to support the opinion
- The Council and the Pension Fund had unqualified External Audit Opinions and clear Annual Governance Reports for 2019-20
- As a result of the audits undertaken during the year the Executive Director of Finance and Commercial Services and Director of Norfolk Pension Fund clearly understand which of the Pension Fund control systems are operating satisfactorily and where and why any strengthening is required
- The Fund's systems of internal audit were effective during 2020-21 for the purposes of the latest regulations. An independent assessment, by CIPFA, confirmed that the Internal Audit function is sufficiently compliant with the 2017 UK Public Sector Internal Audit Standards
- NAS has received overall positive feedback on audits during the year ended 31 March 2021
- the work of NAS for the year and the assurance provided assists the Committee to reasonably assess the risk that the Financial Statements are

not materially mis-stated due to fraud. The risks of Fraud and Corruption have been reviewed and planning and resources are considered adequate.

3.2 The work of NAS continues to evolve to cover all areas of risk as well as traditional financial audit. Some audits are carried out based on the perceived risk to the Pension Fund as assessed using the NAS risk model, the Pension Fund risk register, whilst others are requested by the Pension Fund Management Team. The plan is based on the model recommended by the Society of County Treasurers (SCT) and covers the key areas; Governance and Strategy, Pensions Administration and Investments. For more information on how NAS approach audits, please see the NAS Annual Report to Norfolk County Council 2019-20. [Audit Committee July 2020](#)

3.3 Other significant points to note were that:

- The Pensions Management Team undertake fraud preventative work to reduce the risk of fraud and corruption within the Pension Fund. Further details can be found at part 9 of this report.
- All NPF staff received an up to date information security and confidentiality policy as part of the appraisal process conducted during April to June 2020 and undertake Data Protection training.
- A risk register is regularly reviewed by the Management Team and a detailed risk register report is presented to the Pensions Committee every six months. A summary heat map is also provided to the Pension Committee when the full register is not discussed to ensure Members are kept up to date with risk management.

#### 4. Pension Fund Internal Audit Work

4.1 The internal audit work was performed through the Annual Internal Audit Plan approved by the Executive Director of Finance and Commercial Services and the Director of Norfolk Pension Fund at the start of the year. All audit work was performed remotely in accordance with national requirements for the pandemic response.

4.2 Details of planned and finalised audits are given in the table below:

Audits for 2020/21	Final report issued
HEAT (Hymans Employer Asset Tracking) system	✓
Investment Management – Performance Monitoring	Management letter issued November 2020
Transfers Out	✓
Cyber Security Governance	✓



- 4.3 For the final reports above (4.2) we can confirm they were all issued with an 'Acceptable' opinion, in a timely manner and the scope of the audit work undertaken had met client's expectations.
- 4.4 It is considered that the above work (4.2) and also audits of core systems for the host authority, such as IT and payroll, which are included in the NAS NCC audit plan, provide a reasonable basis to draw a representative opinion as on a risk assessed basis a sufficient amount of work has been completed.
- 4.5 Assurance on risk management has also been gained through the risk register being reviewed and monitored by the Pension Fund and Pension Committee on a regular basis.
- 4.6 The audits performed were within the agreed planned days of 72 days. Audit work covered governance and strategy, systems and investment management and therefore is enough to inform the opinion, as part of the overall Medium-Term Internal Audit Plan.
- 4.7 The following audits are included in the 2021-22 audit plan:
- Governance controls and decision making during the pandemic.
  - High level review on the progress being made with the agreed actions resulting from the Hymans Robertson Future Proofing Review. Management Letter to be issued.
  - Receivables – contributions, (AVCS, APCs) transfer values, other receivables, recharges.
  - Data Quality and I Connect – assurance there are adequate controls in place to ensure good data quality within key systems used by NPF, including the new i-connect system.
  - Private Equity, Infrastructure and Private Debt – assurance that the processes and procedures for drawing down distributions are working as expected.

## **5. Review of effectiveness of systems of internal audit**

- 5.1 The Accounts and Audit (England) Regulations 2015 (as amended by The Accounts and Audit (Coronavirus) Amendments Regulations 2020), require the effectiveness of the Pension Funds systems of internal audit to be reviewed annually.
- 5.2 The method used in 2020-21 to review the effectiveness of the Pension Funds systems of internal control was to review information on the effectiveness of the Pension Fund's management processes and corporate control functions of the Council, as the host authority, (legal, financial (including External Audit reporting outcomes), health and safety and human resources), as assessed by the Assistant Director of Finance (Audit).
- 5.3 Under UKPSIAS there is a requirement for external assessments of internal audit's compliance against the UKPSIAS to be conducted at least once every five years by a qualified, independent assessor. An external assessment has been carried out in May 2017 with the results of this review reported through our normal reporting to the Audit Committee.

- 5.4 The Pension Fund's system of internal audit during 2020-21 was sound, adequate and effective in accordance with the requirements of the Accounts and Audit (England) Regulations 2015 (as amended by The Accounts and Audit (Coronavirus) Amendments Regulations 2020), and the PSIAS.

## **6. Quality Assurance**

- 6.1 A Quality Strategy for Internal Audit is in place, which includes a Quality Assurance Improvement Programme. This was used to review completed audit projects during the year to ensure they met quality standards. Internal Audit procedures are subject to continuous review and are updated during the year. No significant exceptions were noted from that work.
- 6.2 Internal Audit reports progress on the audit plan and feedback from customer satisfaction questionnaires to the Audit Committee quarterly. NAS has received overall positive feedback from the Pension Fund audits during the year ended 31 March 2021.

## **7. Engaging Specialists**

- 7.1 NAS did not engage any specialists from external sources to deliver audits for the Pension Fund during the period.

## **8. Annual Governance Statements**

- 8.1 NAS internal audits undertaken for the Pension Fund provide assurances on the adequacy and effectiveness of internal controls and risk management for the Pensions Committee. The Pensions Committee will receive and approve its own Annual Governance Statement for 2020-21.
- 8.2 The Pension Fund (and the Council) has continued to fulfil the relevant requirements of the Coronavirus Act 2020 and associated local government regulations and enforcement, continued to hold remote meetings and staff work remotely where they are able to do so.

## **9. Responsibilities in relation to Fraud**

- 9.1 Under section 17 of the Crime and Disorder Act (1998) the Council has a statutory general duty to take account of the crime and disorder implications of all its work and do all that it reasonably can to prevent crime and disorder in Norfolk.
- 9.2 Internal Audit work helps to deter crime or increase the likelihood of detection by making crime difficult, increasing the risks of detection and prosecution and reducing rewards from crime. Internal audit work is planned in order to cover the higher risk areas including where weaknesses in controls might increase the risk of theft, fraud or corruption. An action plan is agreed for any weaknesses that are identified during audits.
- 9.3 The Pension Fund has adopted the County Council's Anti Fraud, Bribery and Corruption Policy and Strategy. The Audit Committee receives update reports on



the Anti Fraud, Bribery and Corruption Policy and Strategy. The Council meets the requirements of the International Standard on Auditing (ISA 240).

- 9.4 Actual fraud cases that have been fully investigated would be reported to the Council's Audit Committee. The Chairman would be informed of any significant fraud which had implications for this Committee. There have been no such cases during the last year. The Pensions Committee are therefore aware of the arrangements in place for Chief Officers to report about fraud to the Committee. The Committee and the Council's Audit Committee would therefore have knowledge of actual or suspected fraud and the actions that Chief Officers are taking to address it if it were required.
- 9.5 The Anti Fraud, Bribery and Corruption Policy and Strategy, Whistle blowing Strategy, Money Laundering Policy and the Standards of Conduct are promoted through staff newsletters and on the Council's Intranet site as well as through training for non-financial managers. Through the training, inductions and briefings provided by the Director of Norfolk Pension Fund, the Committee will be aware of the arrangements Chief Officers have in place for communicating with employees, members, partners and stakeholders regarding ethical governance and standards of conduct and behaviour.
- 9.6 The Pensions Management Team have undertaken fraud preventative work to reduce the risk of fraud and corruption within the Pension Fund, examples include taking part in the annual Club Vita mortality data matching exercise, sending data through each month of all pensions being paid to Accurate Data Services (ADS), who will send back matches for any people whom they believe to be deceased, checking of children's pension entitlements, checking of older and overseas members pension entitlement through Certificates of Entitlement, posting of monthly payslips when changes are made to payment details etc and annual benefits statements to identify goneaways. NPF are also registered with the Tell Us Once service to receive direct notifications from General Register Office (GRO) of deaths registered where the informant has given consent to pass on details.
- 9.7 NPF staff have used the E-learning training course hub to carry out the 'Fraud Awareness' and the 'Fraud Prevention and Detection' courses.
- 9.8 The County Council participated in the Cabinet Office's bi-annual NFI data matching exercise, with data being extracted in October 2020 and matches being received at the end of January 2021. The Pensions Fund Manager confirmed any NFI data matches were followed up effectively.
- 9.9 All NPF staff received up to date information security and confidentiality policies as part of the appraisal process and undertake Data Protection training where appropriate.
- 9.10 Online services continue to be developed to improve data quality on submission. This has further enhanced security for the communication of personal information between employers/members and the Fund.

## **10. Acknowledgement**

- 10.1 The Internal Audit team has worked with the Pension Fund to deliver assurance on the adequacy of their internal controls and risk management and I would like

to thank all the managers and staff of the Pension Fund for their co-operation and assistance during this challenging year.

Adrian Thompson  
Assistant Director of Finance (Audit)  
01603 303395  
Email: [adrian.thompson@norfolk.gov.uk](mailto:adrian.thompson@norfolk.gov.uk)

**If you need this report in large print, audio, Braille, alternative format or in a different language please contact Adrian Thompson on telephone 01603 222784 and we will do our best to help.**





## APPENDIX H

## Climate risk reporting

### Introduction

Climate risk is a systemic risk that may have a material financial impact on a pension fund's assets and liabilities. The Norfolk Pension Fund is committed to understanding and monitoring its exposure to climate related risks. The Fund has therefore introduced reporting on climate related exposures on a six-monthly basis across a number of key metrics. This commenced at 31 December 2020.

### Pension Fund portfolio analysis – December 2020

The table below analyses the Fund's listed equity portfolios against the three key climate related metrics. For comparison, it shows the corresponding metrics for the MSCI World global equity benchmark. The analysis indicates that the Fund has lower exposures to carbon intensive companies, total carbon emissions and companies with ties to fossil fuels than the global index. The climate related exposures of the Fund as at 31 December 2020 are set out in the table below.

	Weighted Average Carbon Intensity (tCO <sub>2</sub> /\$m Sales)	Total Carbon Emissions (tCO <sub>2</sub> )	% Of Portfolio With Ties to Fossil Fuels
Norfolk Pension Fund	115.3	193,386	7.6%
World Equity Benchmark	182.6	355,283	12.1%
Relative	-67.3	-161,898	-4.6%

**Source:** Hymans Robertson using data provided and owned by MSCI ESG Research LLC and its affiliates.

The Norfolk Pension Fund will publish the analysis on a six-monthly basis.

### Climate risk metrics

#### Weighted average carbon intensity

This is a measure of a portfolio's exposure to carbon-intensive companies. This is expressed in terms of tons of CO<sub>2</sub> equivalent emitted per million dollars of revenue, weighted by the size of the allocation to each company. It is measure using scope 1 and scope 2 emissions. Scope 1 emissions are those from sources owned or controlled by the company, typically direct combustion of fuel. Scope 2 emissions are those caused by the generation of electricity purchased by the company.

#### Total carbon emissions

This represents a portfolio's estimated scope 1 and scope 2 greenhouse gas emissions. This is expressed in terms of thousands of tons of CO<sub>2</sub> equivalent emitted by the companies invested in by a portfolio, weighted by the size of each company.

#### % of portfolio with ties to fossil fuels

The percentage of a portfolio invested in companies with an industry tie to fossil fuels (thermal coal, oil and gas), in particular reserve ownership, related revenues and power generation. It does not include companies providing evidence of owning metallurgical coal reserves.

## APPENDIX I

### Update on Bulk Transfer Values in Progress

Name	Transfer Date	Estimated Completion Date	State of Play
Cambridgeshire County Council to Norwich City Council	April 2020	29 March 2021	Circa 60 staff transferred back to City Council as the second stage of ceasing the outsourcing agreement with LGSS. We have agreed the Actuary's Letter reflecting the same terms as the bulk transfer received in March 2019 in respect of the 100 members of staff transferred back previously. The bulk transfer payment of £4.8 million was received on 29 March 2021. This transfer is now concluded.
Easton & Otley College to Otley College (Suffolk Pension Fund)	31 December 2019	30 June 2021	Circa 96 staff transferred to the Suffolk Fund when the Otley site of the old Easton & Otley College entity was transferred to Suffolk New College. The bulk transfer value is due to be paid to the Suffolk Pension Fund on 30 June 2021 and is approximately £3.7 million. This will discharge the past service liabilities in respect of these employees.

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 – *all 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, **JO:** Judy Oliver, **LT:** Leon Thorpe

### ACCESS regular meetings

AY / GC attend Officer Working Group (fortnightly meeting)

AY attend Investment User Group (monthly)

AY attend Non-Listed Sub-Group (monthly)

AY attend Active Listed Sub-Group (monthly)

### National LGPS Frameworks

The National Frameworks team have held meetings with Funds, Pools and Service providers as part of the establishment of:

- Global Custody Framework
- Actuarial, Benefits and Governance Framework.
- Stewardship Advisory Services 2021 Framework
- Third Party Administration Services 2016 and 2022 Frameworks
- Legal Services 2019 Framework
- Investment Management Performance and Cost Monitoring and Reporting Services 2017 Framework

In addition, they have had discussions with:

- The Scheme Advisory Board ref: Stewardship Advisory Services 2021 Framework

Date	What	Who
<b>March</b>		
3	SAB Responsible Investment Advisory Group	JQ / LT
8	ACCESS Joint Committee	JO/GC/AY
10	Global Alpha webinar – the importance of looking forward	AY/GC
18	SEC SOG	MA/DK
30	PLSA Policy Insights Roundtable: TPR's New Code of Practice	JQ
<b>Apr</b>		
21	Goldman Sachs Update Meeting	AY
26	Fidelity Update meeting	GC/AY
27	SEC SOG	MA/DK
28/29	LA Investment Seminar	GC
<b>May</b>		
10	Capital Group Update call	GC/AY
12	TPR Single Code of Finance Roundtable	JQ

18/19	PLSA Conference - speaker	JQ/AY
20	Pantheon Advisory Committee	AY
25	Advisory Board Meeting- Aberdeen Standard Secondary Opportunities Funds	AY
27	Pensions Oversight Board	GC/DK/JQ
<b>June</b>		
14	PLSA LA Committee (June)	JQ
15	Pensions Committee and POB Training Day	All
25	ACCESS Joint Committee	JO/GC
29	ACCESS RI Guidelines project: Norfolk CC/Minerva	AY/GC/JQ
30	PLSA ESG Conference	AY/GC/JQ
30	SECSOG	MA/DK

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 6<sup>th</sup> July 2021

<b>Pensions Committee</b>	<b>Pensions Committee</b>	<b>Pensions Committee</b>	<b>Pensions Committee</b>	<b>Committee Training</b>
<b>5<sup>th</sup> Oct 2021</b>	<b>7<sup>th</sup> Dec 2021</b>	<b>1<sup>st</sup> March 2022</b>	<b>July 2022 (tbc)</b>	
Administration Report	Administration Report	Administration Report	Administration Report	<ul style="list-style-type: none"> <li>• LGPS Good Governance</li> <li>• Risk Attitude/Boundaries</li> <li>• ESG/RI Officer Member Task/Finish Group</li> </ul>
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 – Status Report	Strategic Review – Status Report	Strategic Review – Project Closure Report		
Corporate Governance and Shareholder Engagement Report (including Carbon Reporting)	Risk Register Report and Compliance with Breaches Policy (including Review of Risk Attitude/Boundaries)	Corporate Governance and Shareholder Engagement Report (including Carbon Reporting)	Risk Register Report and Compliance with Breaches Policy	
Investment Strategy Update – Global Equity Review	Investment Strategy Update	Investment Strategy Update	Investment Strategy Update	
		2022 Triennial Valuation – Overview and Planning	2022 Triennial Valuation - Assumptions	
Investment Managers: (tbc)	Investment Managers: (tbc)	Investment Managers: (tbc)	Investment Managers: (tbc)	

# Report to Pensions Committee

Item No. 7

<b>Report title:</b>	<b>Update from the Pensions Oversight Board</b>
<b>Date of meeting:</b>	<b>6 July 2021</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 (POB). A further verbal report will be given by the Chair of the Pensions Oversight Board who will also attend committee. The last update was given at the March 2021 Committee Meeting.

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

- 2.1 The Board last met on the 27 May 2021. The agenda for this meeting is at Appendix A.
- 2.2 In addition to the regular strategic and operational oversight, as part of their forward work programme POB's attention was focussed on Cyber Security and Risk Management:
  - Cyber security training was received in preparation for receipt of the outcome of Norfolk Pension Fund's cyber security audit and compliance with the TPR's cyber risk assessment cycle at their next meeting.
  - POB considered the Norfolk Pension Fund's risk management, monitoring and reporting process, including tracking mitigation plans and progress against current high risks.
- 2.3 The minutes from the Board meeting of the 4<sup>th</sup> February 2021 are at Appendix B.

## **3. Annual Report**

- 3.1 The Board has prepared its 5<sup>th</sup> annual report, which is at Appendix C.

## **4. Knowledge and Skills**

- 4.1 Along with members of Pensions Committee and Fund Officers, POB attended the training day on 15<sup>th</sup> June, and now have access to the LGPS online Learning Academy.
- 4.2 POB members regularly attend webinars and virtual conferences.

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

- 5.1 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.



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

- 6.1 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.
- 6.2 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.

## **7. Risk Implications/Assessment**

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

## **8. Recommendation**

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

## **9. Background Papers**

- 9.1 Appendix A: POB Agenda 27 May 2021  
Appendix B: POB minutes 4 February 2021  
Appendix C: POB Annual Report 2020 - 2021

### **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)



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## Norfolk Pension Fund Pensions Oversight Board

Date: **Thursday 27<sup>th</sup> May 2021**

Time: **10:00am**

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 4 February 2021.

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 person's 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 2 March 2021 and items to be raised at the 6 July 2021 meeting.
- 7. Pensions Oversight Board Annual report 2020 – 2021
- 8. Norfolk Pension Fund operational update (including ACCESS)  
An update on operational performance and issues, including latest performance data, POB budget update and consideration of meeting formats for POB for the next 12 months.
- 9. Strategic Review update  
To include an update on the implementation of the new Pensions Administration System and rollout to Employers and Scheme Members
- 10. LGPS Reform  
Update on latest reform
- 11. Cyber Security  
Training session to be delivered by Ian Colvin, Hymans Robertson.
- 12. Risk Management  
To receive the latest risk update and heat map
- 13. Internal Audit reports
- 14. Knowledge, skills and training
- 15. Forward work programme for the Pensions Oversight Board
- 16. 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: **[20 May 2021]**



**Minutes of the Norfolk Pension Fund Pensions Oversight Board meeting held on Thursday 4 February 2021.**

**Present:**

**Chairman**

Brian Wigg

**Employer Representatives**

Cllr Chris Walker  
Debbie Beck until 11.30am  
Howard Nelson

Poringland Parish Council  
Norfolk County Council  
DNEAT

**Scheme Member Representatives**

John Harries  
Peter Baker

Active / Deferred member  
Pensioner Member

**Also Present**

Jo Quarterman

Glenn Cossey  
Debra Keeling  
Robert Mayes  
Mark Alexander  
Robert Bilton  
Tim Shaw  
Elaine Otway

Business Development and Project  
Manager, Norfolk Pension Fund  
Director of the Norfolk Pension Fund  
Pensions Member Services Manager  
Pension Fund Accountant  
Pensions Manager  
Hymans  
Committee Clerk  
Pension Fund Office Co-ordinator

**1. Welcome and Introduction**

- 1.1** The Chairman welcomed all those present to what was the fourth “virtual” Teams meeting of the Pensions Oversight Board.
- 1.2** The Board was reminded of the virtual meeting protocols by which this meeting would operate. The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 set out the framework for Councils to hold Council meetings remotely.



## **2 Apologies for Absence**

- 2 An apology for absence was received from Rachel Farmer.

## **3. Minutes**

- 3.1 The POB agreed the minutes of the meeting held on 5 November 2020.

## **4. Declarations of Interest**

- 4.1 There were no declarations of interest.

## **5 Items of Urgent Business**

- 5.1 There were no items of urgent business.

## **6 Feedback from the virtual Pensions Committee meeting on 1 December and items to be raised at the 2 March 2021 meeting**

- 6.1 The POB noted that today's meeting would be the subject of a report to the Pensions Committee on 2 March 2021.

## **7. Norfolk Pension Fund Operational Update (including ACCESS)**

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

The operational update included:

- Staff wellbeing
  - At this point in the Covid-19 pandemic, management were constantly checking to ensure that they continued to have in place the right level of emotional and motivational support for staff to be able to deal with everyday issues that arose during the working day.
- Day to day admin operations, incl.
  - Latest performance data

Norfolk Pension Fund performance data showed the resilience of staff. Service priorities were continuing to be met. This was against a background in which excess deaths were 30% above that of a normal year. It was recognised that this area of work had shown growth before the pandemic.
  - Website accessibility update

Details regarding the proposed changes in the Norfolk Pension Fund website were circulated to POB members with the agenda papers. The website included general information about conflicting Government regulations on

issues such as the 95k cap and McCloud. More specific information about the difficulties created by these issues could not be included on the website at this stage. It was noted that the Norfolk Pension fund also remained responsible for hosting the national LGPS frameworks website.

➤ Investment and Accounts

POB Members attention was drawn to an article in the national press about the impact of the pandemic on infrastructure funds; a note about this would be circulated to POB members.

• ACCESS update

- On boarding: global equity mandates in November
- Post current contractual arrangements update. Hymans were providing support with this matter and recommendations were due to be made to ACCESS in March 2021.
- Communicating and key messaging. This was about being proactive in this area
- ACCESS had agreed on a new structure for onboarding of Illiquids.
- Responsible Investment (RI) / Environment, Social, Governance (ESG). ACCESS policy was being updated with the support of consultants.
- Budget for ACCESS Support Unit (ASU) which was being reprioritised as a result of the Covid-19 pandemic and the growth needed for two additional posts.

• Review of virtual meeting format

- At the request of the Chairman it was agreed that the use of virtual meetings should be an item on the agenda for the next meeting and that in the meantime POB Members should be encouraged to forward any comments to Jo Quarterman.
- The Chairman placed on record POB's appreciation of the commitment and hard work that was being shown by staff in dealing with issues raised by the pandemic and asked for a suitable comment to be included in the next edition of the staff newsletter.

## **8 Strategic Review Update**

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

**8.2** The presentation provided an update on the following:

- Phase 1 of the Pensions Administration Software (procurement stage) workstream was complete. The new contract provided not only for core work and but also for work on employer and



scheme member modules. Work on the implementation of Phase 2 had begun.

- The strategic review included workshops with staff on six key employer processes
  - Contributions
  - Employers cessation
  - New admissions
  - Submission of data to the Actuary
  - The financial accounting of pensions
  - The triennial valuation
- Other work streams included governance, the structure of administration teams and the impact of new modules on workflow, staff recruitment, staff development and career paths.
- In answer to questions it was pointed out that progress on the implementation of new administration software and the changes in processes would be part of the future work programme.
- It was too early for pensions software updates across the LGPS to take account of the implications of the 95k Cap and McCloud.
- The new Pensions Administration Software provided for more onboarding options and options for direct digital communication with employers and scheme members. Rollout / onboarding would take place throughout 2021 and details reported to future meetings.

## **9 LGPS Reform**

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

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

- £95k payment cap and reform - LGPS regulations were not expected before April 2021 at the earliest.
- McCloud –The Norfolk Pension Fund had what information it needed from employers. The remedy was not expected to impact on large numbers of scheme members but was expected to take up a large amount of work
- Valuation cycle and employer flexibilities - This was subject to a consultation process that formed part of the Norfolk Pension Fund funding strategy. Employers had been sent a newsletter and an opportunity to make comments about the new flexibilities.
- Climate risk and monitoring - MHCLG's expected consultation on the adoption of the Task force for Climate related Financial Disclosure within the LGPS
- Scheme Advisory Board's (SAB) development of an on-line A

to Z resource for the LGPS

- SAB's Good Governance project - This would be considered at a Scheme Advisory Board meeting on Monday of next week.
- TPR revised code
- Pensions Dashboard - Work was progressing.

## **10 Internal Audit reports HEAT (Hymans Robertson Employer Asset Tracker) system**

**10.1** POB received a presentation by Rob Bilton of Hymans Robertson that provided an update about the tracking of employer assets and HEAT (Hymans Robertson Employer Asset Tracker) system (introduced shortly after the 2016 valuation).

### **10.2 Tracking employer assets**

- The presentation explained:
  - Why employer assets were tracked
  - How employer assets were previously calculated and what has changed.
  - Hymans Robertson work in partnership with two LGPS funds to develop a new robust approach to tracking employer asset values.

### **10.3 HEAT system**

- The presentation explained:
  - Overview of the system.
  - What the HEAT output was used for, including
    - Formal Valuations (readily available asset values, communicating results to the employer)
    - Ongoing employer work (e.g. cessations for employers exiting the fund)
    - Accounting Valuations
    - Sense check contributions against those recorded in HEAT
    - Employer strategy returns directly fed into year-end reporting
    - Strategy Reviews
    - Monitoring existing strategies and helping discussion of possible future implementation of new/alternative strategies
    - Output used for performance reporting to Pensions Committee

Answers were provided to Members detailed questions

## **11 Audit Reports**

**11.1** There were no current audit reports to report to POB. The one



remaining audit for the current financial year on cyber security was due to take place in March 2021.

- 11.2** A programme of audit days for 2021/22 was in place.

## **12 Risk Management**

- 12.1** POB received the latest risk update and heat map taken to the December 2020 meeting of the Pensions Committee that showed movement between July and November 2020 in terms of governance, funding and investment and benefits administration. The heat map picked up on issues associated with regulatory and performance requirements failure that represented an increased risk and were talked about during this meeting.
- 12.2** The risk register was continually updated and reported regularly to POB and Pensions Committee. The detailed risk report is taken to Pensions Committee at least twice a year, and a summary report at each meeting. The criteria for the definition of the risks was shared with Pensions Committee.
- 12.3** At POB's request the detailed risk register would be circulated to POB and risk management discussed in more detail at a future meeting. For the current heat map, the full executive risk register would be circulated to POB Members at the end of this meeting.

## **13 Knowledge, Skills and Training**

- 13.1** POB received an update about plans for Knowledge, Skills and Training which included:
- General needs and plans/ POB specific needs and plans
  - Draft training plan aligned with strategy in development
  - Plans for Cybersecurity

## **14 Forward Work Programme**

- 14.1** It was agreed that the forward work programme should include:
- The shape of Employer Services
  - The implications of the new Pensions Administration Software for scheme members and employers.
  - More detailed information about risk management and the heat map
  - The results of an internal audit report on cybersecurity and training on this issue for POB Members and Members of the Pensions Committee

## **15      Future meetings**

The dates were

27th May

9th September

11th November

10th February 2022

**Chair**



# **Norfolk Pension Fund Pensions Oversight Board Annual Report 2020 - 2021**

## **Introduction**

This is the Annual Report of the Norfolk Pension Fund Pensions Oversight Board (POB), covering the period from 1 April 2020 to 31 March 2021.

## **Role and Function**

The Norfolk Pension Fund Pensions Oversight Board was established as the Local Pension Board for the Norfolk Pension Fund in accordance with section 5 of the Public Service Pension Act 2013 and Part 3 of the LGPS Regulations 2013

The remit of the POB includes assisting the Administering Authority as Scheme Manager:

- to secure compliance with the LGPS regulations and any other legislation relating to governance and administration of the LGPS
- to secure compliance with requirements imposed in relation to the LGPS by the Pension Regulator.

The Terms of Reference for the Norfolk Pension Fund Pensions Oversight Board (Local Pension Board) are available on the Norfolk Pension Fund's website:

<https://www.norfolkpensionfund.org/governance/local-pension-board/> .

## **Membership**

Membership of the Pensions Oversight Board is structured as follows:

- 3 scheme member representatives of which 1 has been nominated by the trade unions and the rest drawn from the total scheme membership
- 3 employer representatives made up of Norfolk County Council (1), precepting / levying employers (1), other employers (1)
- 1 independent non-voting chairman

Membership of the Board during the period April 2020 to March 2021 was as follows:

<u>Role</u>	<u>Representing</u>	<u>Appointment</u>
Independent Chair		Brian Wigg
Scheme Member representatives:	Trade Union nominee: Active / Deferred representative Pensioner representative:	Rachel Farmer (UNISON) John Harries (Vice Chairman) Peter Baker
Employer representatives:	Norfolk County Council representative Precepting / levying employers' representative Other employers' representative	Debbie Beck Councillor Chris Walker, Poringland Parish Council Howard Nelson, Diocese of Norwich Education and Academies Trust

### **Pensions Oversight Board Meetings**

The Pensions Oversight Board met four times during the year - informally in May 2020 (first virtual meeting post pandemic) and formally in September and November 2020 and February 2021. All meetings have been virtual.

In addition to these meetings, POB Members have attended each of the Pensions Committee meetings between April 2020 and March 2021. These meetings have also all been virtual.

During the reporting period the areas reviewed and contributed to have included:

- The impact of and response to the coronavirus pandemic on the operations of the Norfolk Pension Fund on behalf of its stakeholders
- Norfolk Pension Fund's internal structural review programme, including the replacement pensions administration system, and the impact on employers and scheme members
- Investment pooling (including transition of assets to the ACCESS pool)
- LGPS reform (including the Good Governance Project)
- Benefits and Regulatory changes, response and compliance
- Risk Management and reporting
- Accessibility guidelines and compliance
- Retired Member revised engagement plans
- Smarter working planning
- Employer Asset Tracking arrangements
- Audit Reports

The Pensions Oversight Board maintain a forward work programme, aligned to the Pensions Committee work programme.

Attendance at POB meetings was 75 %.



## **Pension Oversight Board Member Training**

In order to fulfil their role effectively and to comply with requirements imposed by regulations which are enforced by the Pensions Regulator, the members of the Pensions Oversight Board are required to maintain their knowledge and understanding of the LGPS and pensions in general, so receive appropriate training.

All Pensions Oversight Board members receive introductory training and resources. Pensions Oversight Board members are currently undertaking the Pensions Regulators public sector trustee toolkit modules and are encouraged and make use of other resources and training opportunities.

Together with members of Pensions Committee, Pensions Oversight Board members participated in the National Knowledge Assessment Survey. The results of the Survey helped inform the development of a new Training Strategy for the Norfolk Pension Fund.

Together with members of Pensions Committee and Officers, Pensions Oversight Board members attended bespoke joint training in October 2020 and February 2021. Board members have also attended a wide range of virtual training offered through the year, including webinars and conferences.

Knowledge and skills are considered at each meeting, to help shape future development needs aligned with their forward work programme. Details of observing at Pensions Committee meetings and training events (internal and external) are recorded throughout the year.

The Board acknowledges the opportunity of working closely with Pensions Committee.



**Brian Wigg**  
**Chairman of the Norfolk Pension Fund Pensions Oversight Board**  
**27 May 2021**