

## Pensions Committee

Date: **Tuesday 21 June 2022**

Time: **9:30am**

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

### Membership

#### Members

Cllr Judy Oliver – Chair

Cllr Alison Birmingham  
Cllr Will Richmond  
Cllr Dan Roper  
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 members of the public may watch remotely by clicking on the following link: [Norfolk County Council YouTube](#)

However, if you wish to attend in person it would be helpful if you could indicate in advance that it is your intention to do so as public seating will be limited. This can be done by emailing [committees@norfolk.gov.uk](mailto:committees@norfolk.gov.uk).

The Government has removed all COVID 19 restrictions and moved towards living with COVID-19, just as we live with other respiratory infections. However, to ensure that the meeting is safe we are asking everyone attending to practise good public health and safety behaviours (practising good hand and respiratory hygiene, including wearing face coverings in busy areas at times of high prevalence) and to stay at home when they need to (if they have tested positive for COVID 19; if they have symptoms of a respiratory infection; if they are a close contact of a positive COVID 19 case). This will help make the event safe for all those attending and limit the transmission of respiratory infections including COVID-19.

## **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 1 March 2022

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 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 17 )**

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 99 )**

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

**8 NPF Strategic Review Programme: Closure Report (Page 111 )**

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

**9 Risk Register Report and Compliance with Breaches Policy (Page 133 )**

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

**10 ACCESS Update- unrestricted items (Page 139)**

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

**11 Exclusion of the Public (Items 12-18 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**

**12 ACCESS Update- restricted items (Page 143 )**

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

**13 2022 Valuation – Actuarial Assumptions Page 196 )**

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

**14 2022 Valuation – Review of Funding & Investment Strategy for Academies (Page 250 )**

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

**15 Hymans Quarterly Performance Report (Page 279 )**

**16 Investment Update (Page 298 )**

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

**17 Investment Manager presentation – Equitix (Page 302 )**

Presentation by Fund Manager

**18 Exempt Minutes (Page 321 )**

To confirm the exempt minutes of the meeting held on 1 March 2022

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

Date Agenda Published: 13 June 2022



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## **Pensions Committee**

### **Minutes of the meeting held on Tuesday 1 March 2022 commencing at 9:30 am and held at County Hall, Norwich**

#### **Present:**

Mr S Aspin	
Cllr W Richmond	
Cllr D Roper	
Cllr J Oliver	(Chair)
Cllr J Fuller	
Cllr A Waters	

#### **Officers Present:**

Simon George	Executive Director of Finance and Commercial Services
Glenn Cossey	Director of the Norfolk Pension Fund
Alex Younger	Head of Funding & Investment
Jo Quarterman	Head of Governance/Director, National LGPS Frameworks
Debra Keeling	Pension Member Services Manager
Eunice Walcott	LGPS Governance Manager
Tim Shaw	Committee Officer

#### **Others Present:**

Bob Bilton	Hymans Robertson
David Walker	Hymans Robertson
Edward Harrold	Capital Group (participating via Microsoft Teams)
Richard Carlyle	Capital Group (participating via Microsoft Teams)
Josh Conran	Capital Group (participating via Microsoft Teams)
Brian Wigg	Pensions Oversight Board

### **1 Apologies for Absence**

- 1.1** Apologies for absence were received from Cllr A Birmingham and Cllr M Storey.

### **2 Minutes**

- 2.1** The minutes of the previous meeting held on 7 December 2021 were confirmed as a correct record and signed by the Chair.

### **3 Declaration of Interests**

The following declarations of interest was received:

- Steve Aspin declared an “other interest” because he had investments with Aberdeen and Baillie Gifford and personal membership of the scheme as an employee of a scheme employer.
- Cllr Dan Roper declared an “other interest” because his wife 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.
- 5.2** 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 2021.
- 5.3** The Committee’s attention was drawn to the following:

##### **National picture**

- Consultations expected Summer 2022 on Taskforce on Climate Related Disclosures (TCFD), LGPS asset pooling and guidance stopping public sector pensions schemes pursuing politically motivated boycotts and disinvestment policies
- Levelling Up White Paper published in February refers to potential for the LGPS to explore increasing local (UK) investment in infrastructure, housing, and regeneration.  
McCloud: Regs and guidance anticipated to be published in 2022; and in force October 2023
- Department for Levelling up, Housing and Communities to progress the drafting of statutory guidance to implement the Scheme Advisory Board’s Good Governance recommendations
- Government remains committed to Exit Pay reform, consultation expected later this year.
- The Pensions Regulator’s Combined Code is expected to be laid before Parliament in the Summer.

##### **Risk Management**

- Risk movement (Heat Map Appendix C, page 36)
- That risks are reducing in the Governance area following the implementation of a new structure.
- Three remaining high risks (reduced from 6):
  - Governance: Cyber Security
  - Funding and Investment: lack of skilled resource
  - Benefits Administration: lack of skilled resource

- The lack of skilled resource is being addressed through the Strategic Review programme

### **Data protection**

- Minor data protection breach reported in accordance with breaches policy

### **Membership Data**

- Scheme Membership continues to increase (97,000+)
- Average pension in payment £4,949 ('own right')
- Growth in scheme employer (425 at the 31<sup>st</sup> March 2021), in the main attributed to the academisation of schools and outsourcing of local functions

### **Performance data**

- Strong performance against all benefits administration KPI's listed in Appendix D (page 37)
- The Fund's Annual Data report (page 38) shows a consistently high level of data quality.

### **Service plan and projects**

- Medium-terms projects (2022–25 include the valuation, completion of the Strategic Review programme and responding to on-going LGPS Reforms.

### **Communication and Engagement**

- Spring edition of the retired member newsletter, Prime Time, is currently in production.
- The latest Employer Newsletter will be circulated shortly, and planning is underway for the next Employer Forum (30 June 2022)

### **Accounts and Financial reporting**

- The statutory deadline for production of the draft accounts for the current year 2021-22 has again been extended to the 31<sup>st</sup> July 2022.
- The Fund will shortly be co-ordinating the production of employer pension related financial disclosures as at 31<sup>st</sup> March 2022.

### **Cash Management Strategy**

- The Committee were asked to approve the Fund's cash management strategy for 2022-23 for cash held in the Fund's local bank account and by the Custodian, together with the strategy for the Fund's currency programme relating to counterparty and collateral management arrangements.

### **Norfolk Audit Services Internal Audit Plan 2022-23**

- The Committee considered the 2022-23 Internal Audit Plan which delivers 84 audit days across governance, administration, and investments.

## **Two Admission Agreements**

- The Committee were asked to note two admission agreements:
  - Aspen Services Ltd (Diocese of Ely Multi Academy Trust Contract) (paragraph 15.2)
  - TIAA Ltd (South Norfolk Council contract) (paragraph 15.9)

- 5.4** In reply to questions, it was noted that scheme members and employers would be kept updated on developments regarding McCloud through the usual forms of communication.

## **5.5 RESOLVED**

**That the Committee note the contents of the report including:**

- **the approval of the cash management strategies for the management of the Fund's cash balances and dynamic currency programme (paragraphs 9 and 10)**
- **Norfolk Audit Services 2022-23 Audit Plan for the Norfolk Pension Fund (paragraph 12)**
- **The admission agreements in respect of:**
  - **Aspen Services Ltd (Diocese of Ely Multi Academy Trust Contract) (paragraph 15.2)**
  - **TIAA Ltd (South Norfolk Council contract) (paragraph 15.9)**

## **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 virtually on 9 February 2022.

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

- An update on current operational issues and regulatory reform
- Presentation on 2022 triennial valuation process and planning.

Next Meeting 24 May 2022 would further consider Cybersecurity—this remains an area of high risk and therefore continues as an important area of oversight for the POB.

POB Membership update

- New appt: Frances Crum (Active and Deferred Member)
- New appt: Sally Albrow (Norfolk County Council Employer)
- Stepping down: Rachel Farmer (UNISON)

- 6.3** The Committee placed on record thanks to Rachel Farmer who was retiring and therefore stepping down from her role on the Pensions Oversight Board. The Chair said that she would be writing to her to thank her for all her hard work.



- 6.4 The Committee stressed the importance of the work that POB was doing in reviewing cyber security.

6.5 **RESOLVED**

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

7 **Pension Fund Budget 2022-23**

- 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:

**Background and Purpose**

- The Norfolk Pension Fund Budget was set separately from NCC's budget
- The Norfolk Pension Fund Budget incorporated the Fund's statutory responsibilities and service plan objectives
- The proposed budget for 2022-23 was £4.034m a 6% increase on the 2021-22 budget including budget relating to the Strategic Review pre-approved by Pensions Committee on 2nd March 2021.

**The 2022-23 budget included:**

- Norfolk's share of the ACCESS Support Unit (ASU) costs
- Uplifted Staff salary budgets for two pay awards (2021-22 and 2022-23) and the increased Employer National Insurance contributions from 1st April.
- Administration software contract savings of £30k.
- Provision within the projects budget for:
  - 2022 Triennial Valuation
  - Completion of the Strategic Review
  - McCloud admin software enhancements
  - Cyber Security
  - Implementation of Taskforce on Climate-Related Financial Disclosures
  - A separate additional budget allowance for 2022-23 in respect of future service delivery and accommodation will be considered as part of item 13 (page 119) of today's agenda.

- 7.3 Members drew attention to the final regulations on McCloud that were expected in Summer 2022 (with guidance in Autumn/Winter 2022 and a remedy in Autumn 2023) and the hard work that implementing the changes would mean for staff at a time when they were also having to deal with many other changes in the national picture.

7.4 **RESOLVED**

**That the Committee approves the Pension Fund 2022-2023 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:

- The six-monthly update on voting and engagement activity by equity managers
- Voting performed via the ACCESS pool
- Responsible Investment (RI) workshop held in February covered:
  - ACCESS Pool RI Guidelines
  - Taskforce on Climate-related Financial Disclosures
  - Draft statement on Disinvestment / Exclusions (page 103)
- Public summary of Climate Risk Reporting

**8.3** In reply to questions about the implications for financial markets of the war in the Ukraine (which began after the publication of the agenda papers) it was noted that the Pension Fund had only a small exposure to Russian assets but that the impact on global markets had been significant. The funding strategy stress testing work completed as part of the 2022 Valuation was highlighted. The developing regulatory situation concerning Russia assets was being carefully monitored. The Norfolk Pension Fund had started to receive enquires from scheme members about this matter. The Chair added that the National Scheme Advisory Board (SAB) had in the last few days issued a brief statement and further statements were expected from them shortly.

## **8.4 RESOLVED**

**That the Committee notes the contents of the report and approves the Statement on Disinvestment / Exclusion & ESG (Environmental, Social & Governance) Aspects of Investment for publication.**

## **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 agenda and supporting papers for the meeting on 7 March 2022 were circulated to Pensions Committee and Pensions Board Members prior to this meeting of the Pensions Committee.

**9.2** The Director of the Norfolk Pension Fund explained the issues considered by the ACCESS Pool which operated via a Joint Committee (JC) that met four times a year and included Cllr Judy Oliver as the Norfolk Pension Fund representative.

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

**Joint Committee meetings**

- 6 December 2021
- Next meeting 7 March 2022

**Communications**

- Engine MHP appointed January 2021
- Over the last 12 months Engine MHP have assisted with the development and implementation of ACCESS communications strategy, including press engagement, website refresh, annual report

**Forecast Outturn & New Year Budget**

- Forecast 2021/22 outturn for the ACCESS Support Unit (ASU) is estimated to be (£1.049m)
- The forecast underspend of £198K results from:
  - Part-year only costs of new Client Manager/other staff expenses £50K
  - Reduced overhead charge by Host Authority (Essex County Council) and Secretariat £39K
  - Fewer procurements undertaken £33K
  - Savings on External Professional advice £76K
- The ASU's estimated 2022/23 budget is £1.366m

**Observer Status on JC**

Proposals for Local Pension Board members to observe ACCESS Joint Committee meetings will be considered at the March meeting of the JC. Norfolk continues to support observer status.

**9.4 RESOLVED**

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

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

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

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

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

**10.3 Item 11 – ACCESS Update – Restricted Items**

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

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

#### **10.4 Item 12 – NPF Strategic Review Programme: Status Report**

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

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

#### **10.5 Item 13 – Service Delivery & ‘smarter working’ post pandemic**

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

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

#### **10.6 Item 14 – 2022 Valuation – Review of Funding & Investment Strategy (Results of COMPASS modelling)**

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

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

#### **10.7 Item 15 – Quarterly Performance Report by Hymans Robertson**

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

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

**10.8 Item 16 – Investment Update including full climate risk monitoring report**

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.

**10.9 Item 17- Investment Manager Presentation - Performance update including ESG reporting**

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.

**10.10 Item 18– Exempt Minutes**

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

**10.11 RESOLVED**

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

**11 ACCESS Update- restricted 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: Status 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 provided an update 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 Service Delivery and 'Smarter Working' post pandemic**

- 13.1** 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 findings to date on Service Delivery and 'Smarter Working' post pandemic and made recommendations on the next steps.

**13.2 RESOLVED**

**The Pensions Committee note the contents of the report and agree to the next steps to be taken by the NPF contained in the report.**

**14 2022 Valuation – Review of Funding & Investment Strategy (Results of COMPASS modelling)**

- 14.1** The Committee received a report and a presentation (containing exempt information) by Hymans Robertson about preparations for the 2022 triennial valuation which was a key risk management exercise for the Fund. The report set out the results of the asset and liability modelling carried out by the Fund Actuary (Hymans Robertson (Hymans)). It summarised the conclusions and recommendations arising from that work including the practical implications for investment and contribution strategy.

**14.2 RESOLVED**

**That the Committee note the contents of the report and agree the advice from the Fund Actuary.**

**15 Investment Performance Update by Hymans.**

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

**15.2** The Investment Advisor summarised the investment performance for the fourth quarter of 2021 which was set out in the report.

**15.3 RESOLVED**

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

**16 Investment Update**

**16.1** The Committee received a report (containing exempt information) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund that dealt with the investment strategy and assets of the Fund. It included details about the onboarding of assets to the ACCESS Pool, an update on class actions, and a full climate risk monitoring report.

**16.2 RESOLVED**

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

**17 Fund Manager Report and Presentation**

- **Capital Group**

**17.1** Three representatives from Capital Group (who participated in the meeting remotely via Microsoft Teams) presented a detailed booklet, summarised the main issues, and responded to detailed questions by the Members.

**17.2** The Chair thanked Capital Group for their presentations.

**17.3 RESOLVED**

**To note the presentations by the Fund Manager.**

**18 Exempt Minutes of the meeting held on 7 December 2021**

**18.1** The exempt minutes of the meeting held on 7 December 2021 were confirmed by the Committee and signed by the Chair.

**The meeting concluded at 1.30 pm**

**Chair**





# Pensions Committee

Item No: 6

**Report title:** Administration Report

**Date of meeting:** 21 June 2022

**Responsible Director:** Simon George, Executive Director of Finance and Commercial Services

Glenn Cossey, Director of the Norfolk Pension Fund

## Executive Summary

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 2022.

## Recommendations

The Committee is asked to consider and note the content of this report including:

1. The Admission Agreement in respect of – Edwards & Blake (Unity Education Trust)

Item	Title:	Appendices
<b>1.</b>	<b>Background</b>	
<b>2.</b>	<b>Future Service Delivery</b>	
<b>3.</b>	<b>Governance framework for the Norfolk Pension Fund:</b>	
3.1	<b>Governance Statement</b>	Appendix A
3.3	Pensions Oversight Board	
3.5	National Scheme Advisory Board	
3.6	SAB Summary note 7 March meeting	Appendix B
3.9	The Pensions Regulator	
3.11	Update on Current Issues	
3.13	Hymans Robertson's 'Current issues in the LGPS' May 2022 edition	Appendix C
<b>4.</b>	<b>Norfolk Pension Fund Performance Data</b>	
4.2	Key Performance Indicators	Appendix D
<b>5.</b>	<b>Communication</b>	
5.1	Communication and Customer Care Strategy	Appendix E
5.2	With Scheme Members	
5.3	Annual Benefit Statements for active and deferred members	
5.6	Retired Members Newsletter - Primetime	Appendix F
5.10	Pensions Increase Notifications	
5.12	P60 End of Year Certificates	
5.14	Printed Payslips	
5.16	With Employers	
5.18	Employer Forums	
5.22	Employer Webinars	
5.24	Employer Newsletters	Appendix G
5.27	Norfolk Pension Fund Team	
<b>6.</b>	<b>Accounts and Financial Reporting</b>	
6.1	Financial Year End 2021-22	

<b>7.</b>	<b>Employer Financial Reporting Requirements</b>	
<b>8.</b>	<b>Norfolk Audit Services Annual Internal Audit Report for 2021-22 for the Norfolk Pension Fund</b>	
8.3	Internal Audit Report for 2021-22	Appendix H
<b>9.</b>	<b>Collaborative Working / Value for Money</b>	
9.1	CIPFA Benchmarking	
9.6	National LGPS Procurement Frameworks	
<b>10.</b>	<b>Knowledge and Skills</b>	
<b>11.</b>	<b>Admission Agreements</b>	
11.1	Edwards & Blake (Unity Education Trust)	
<b>12.</b>	<b>Update on Bulk Transfer Values in Progress</b>	
<b>13.</b>	<b>Freedom of Information Act (FoIA)</b>	
<b>14.</b>	<b>Representation on behalf of the Pension Fund</b>	Appendix I
<b>15.</b>	<b>Norfolk Pension Fund – Pensions Committee Forward Plan</b>	Appendix J
<b>16.</b>	<b>Financial and Other Resource Implications</b>	
<b>17.</b>	<b>Other Implications (inc. Equality Impact Assessment (EqIA))</b>	
<b>18.</b>	<b>Data Protection Impact Assessments (DPIA)</b>	
<b>19.</b>	<b>Risk Implications/Assessment</b>	
<b>20.</b>	<b>Recommendations</b>	
<b>21.</b>	<b>Background Papers</b>	
21.1	Appendix A - Governance Statement Appendix B - Summary note of SAB meeting on 7 March 2022 Appendix C - Hymans Robertson's 'Current issues in the LGPS' May 2022 edition Appendix D - Key Performance Indicators Appendix E - Customer Care and Communication Strategy Appendix F - Primetime Spring 2022 Appendix G - Employer Newsletter March 2022 Appendix H - Internal Audit Report 2021-22 Appendix I - Representation on behalf of the Norfolk Pension Fund Appendix J - 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 2022.

## **2. Future Service Delivery**

- 2.1 The whole Norfolk Pension Fund team transitioned to home working at the start of the global coronavirus pandemic on the 23 March 2020. A stable operational basis was established and has been maintained ever since. The Pension Fund currently remains predominantly home based but is transitioning to using the private space designated for the Norfolk Pension Fund at County Hall (Mezzanine floor).

## **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 on 7 March 2022 and meets again on 6 June 2022. A summary note of the 7 March meeting can be found [here](#), and also at Appendix B.
- 3.7 The Board next meets on 6 June 2022; more information about the work of the Board is available on their [website](#).  
The latest LGPS Annual Report has not been published at the time of writing but is anticipated.
- 3.8 The SAB, Secretariat and LGA continue to provide valuable support and resources to the LGPS, including liaison with DLUHC, The Pensions Regulator (TPR) etc.
- 3.9 **The Pensions Regulator**
- 3.10 The Regulator has indicated that the new consolidated Single Code of Practice may be laid in Parliament this Summer and come into force later this year.
- 3.11 **Update on current issues**
- 3.12 We are still waiting for updates and progress in a number of significant areas, including (but not limited to):
- McCloud remedy: may be regulation this year, final guidance winter 22/23; remedy in force October 2023.
  - Investments: TCFD, pooling guidance, 'levelling up' white paper
  - Exit Pay reform: Government still committed, expect an LGPS consultation later in the year
  - Good Governance: DLUHC team expanding to look at this area
  - Pensions dashboard; Fair deal; GMP etc
- 3.13 Hymans Robertson's 'Current issues in the LGPS' May 2022 edition (Appendix C) provides an overview of some of the latest issues.
- 4. Norfolk Pension Fund Performance Data**
- 4.1 **Key Performance Indicators**
- 4.2 The latest Norfolk Pension Fund benefits Administration Key Performance Indicators (KPI's) are at Appendix D.
- 5. Communication**
- 5.1 **Communication and Customer Care Strategy**  
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 E.
- 5.2 **With Scheme Members**
- 5.3 Annual Benefit Statements for active and deferred members

- 5.4 Preparations are underway for the production and distribution of Annual Benefit Statements. These are combined with our annual newsletter, which includes our statutory disclosure obligations, and sent to members home addresses.
- 5.5 As last year, and in line with the regulatory requirement, we are working towards making all statements available online by the end of August.
- 5.6 Retired Members Newsletter
- 5.7 The regular newsletter for retired members, Primetime, was published in April 2022. A copy is attached at Appendix F.
- 5.8 The booklet includes a mixture of articles of interest to retired members, including details of the annual pension increase and pay dates, what to do if you change your bank, latest tax news, how to access our online services, information about benefits for dependants, how to avoid scams, details of the Fund's governance arrangements and an update on responsible investment.
- 5.9 In place of the usual retired members event a second Primetime will be published later in the year.
- 5.10 Pensions Increase Notifications
- 5.11 Pensions increased by 3.1% in April, reflecting the Consumer Price Index (CPI) as at September 2021. This was communicated to retired members via their April payslip.
- 5.12 P60 End of Year Certificates
- 5.13 P60 tax statements were sent to all retired members at the end of April.
- 5.14 Printed payslips
- 5.15 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).
- 5.16 **With Employers**
- 5.17 We increased our employer engagement since the global coronavirus pandemic so that we can better support their needs including communication of changing operational scheme requirements and regulatory developments.
- 5.18 Employer Forums
- 5.19 We are planning our first hybrid (combination of face-to-face and virtual) Employer Forum, to be held on Thursday 21 July.
- 5.20 The agenda will include:
- An update from Rob Bilton (Fund Actuary, Hymans Robertson) with an update on the Triennial Valuation
  - Overview of developments in Norfolk Pension Fund employer services and administration, including i-connect rollout
  - Ask the Panel Q&A session
- 5.21 The event will be recorded so that those who can't attend on the day can view it later.
- 5.22 Employer Webinars
- 5.23 We will continue to arrange Employer Webinars to support employers as necessary.
- 5.24 Employer Newsletters

- 5.25 An Employer Newsletter was published on 16 March 2022 and included information about the Triennial Valuation, i-Connect (the online employer portal), Member Self-Service, governance update (including news on the Pensions Committee and Pensions Oversight Board), ESG Investment Statement and a reminder on protecting against scams. A copy is attached at Appendix G.
- 5.26 The next edition will be published during June and a copy will be circulated to Pensions Committee and members of the Pensions Oversight Board
- 5.27 **Norfolk Pension Fund Team**
- 5.28 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.
- 5.29 We are also continuing our regular 'Spotlight' sessions, focussing in different areas of the team. The next session will be an overview of our Risk Management framework.

## **6. Accounts and Financial Reporting**

### **6.1 Financial Year End 2021-22**

- 6.2 For this year's financial year-end, the 2021-22 statutory deadline to publish draft accounts has been extended to 31 July from the 31 May, due to the impact of the COVID19 global pandemic. The Corporate Authority has confirmed it will make use of the extended timeline and work to preparing draft accounts by 31 July. The Pension Fund maintained its year-end planning to meet the original 31 May deadline. This has greatly assisted as contingency with the departure of the current post holder in the role of Pension Fund Accountant. Recruitment for a replacement is currently ongoing in a challenging jobs market. We are working with the accounts team of the corporate authority to provide them with disclosures in an appropriate timescale to incorporate in their statement of accounts.
- 6.3 Since the last meeting of Committee EY have confirmed that the audit is likely to commence in the early autumn (September). This is a departure from the previous June timing although the challenges of the last couple of years has resulted in a very elongated audit approach from EY in any case. It will not affect the provision of numbers to the Corporate Authority for the July deadline, but these will not have been subject to any audit work.
- 6.4 Running alongside the normal year-end processes the Fund has also needed to consider the impact of the implementation of the new Oracle system and a number of key operational changes including the change of Custodian bank in November 2021.
- 6.5 As noted above, the Pension Fund draft annual report and accounts deadline is 31st July 2022. The statutory publication deadline remains 1<sup>st</sup> December 2022.
- 6.6 The Pension Fund will submit its draft financial accounts to the Executive Director of Finance and Commercial Services for sign off by 31st July 2022 at the latest. These draft accounts will be presented to Pension Committee in September 2022.
- 6.7 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. 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. Previously this has been achieved through a letter (ISA 240), but we understand it is the EY intention to undertake this with the Chair in person this year.

- 6.8 It is important to note, that there have been no changes to auditing standards and the questions EY have do not reflect any particular concerns they have regarding Fund governance. The Fund and Internal Audit will assist the Chair of Pensions Committee in providing appropriate response that gives assurance to EY.

## **7. Employer Financial Reporting Requirements**

- 7.1 Working with the Fund Actuary we have delivered the initial 31<sup>st</sup> March (Councils/Scheduled bodies) IAS19/FRS102 employer financial reports. The March exercise is the largest in terms of financial risk and is subject to additional audit work as part of the overall fund audit completed by EY. The Fund supports this through a detailed program of additional checks and review, which has been completed by the Investment & Accounting Team. Final reports will be run once all investment valuations are completed in the summer (July/August).
- 7.2 In recent years, employer auditors have significantly higher assurance requirements on the accounting disclosures, and this has created additional queries and work for the Fund.
- 7.3 The planning and initial work for the July (colleges) and August (academies) exercises is now underway. The August exercise is now the largest undertaken by the Fund following growth in the academy sector.

## **8. Norfolk Audit Services Annual Internal Audit Report for 2021-22 for the Norfolk Pension Fund**

- 8.1 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.
- 8.2 Norfolk Audit Service's provide an annual report to Pensions Committee. As a result of this year's work Norfolk Audit Service's report provides assurance to Pensions Committee that the adequacy and effectiveness of the system of internal control for the Pension Fund during 2021-22 was 'Acceptable' and therefore considered sound.
- 8.3 The Internal Audit Report for 2021-22 for the Norfolk Pension Fund is at Appendix H.

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

### **9.1 CIPFA Benchmarking**

- 9.2 The Norfolk Pension Fund takes part in the Chartered Institute of Public Finance and Accountancy (CIPFA) Pensions Administration Benchmarking Club.
- 9.3 We use this data to compare our service provision with other authorities and target any areas of improvement. It helps us to understand specific service pressures that the Fund faces and to operate as effectively and efficiently as we can.
- 9.4 20 broadly equivalent Funds participated in this year's exercise. The results indicate that the Norfolk Pension Funds cost per member is £19.84, compared with a club average of £21.91.
- 9.5 The Fund also compared well against other Funds in respect of performance targets:

Task	Target	Norfolk Pension Fund	CIPFA Club average
Letter detailing transfer in quote	10 days	87.1%	79.6%
Letter detailing transfer out quote	10 days	91.5%	81.7%
Process and pay refund	10 days	97.8%	90.8%
Initial letter acknowledging death of member	5 days	90.2%	80.8%
Letter notifying amount of dependent's benefits	10 days	98.8%	82.2%
Calculate and notify deferred benefits	30 days	97.9%	85.0%
<b>AVERAGE</b>		<b>93.8%</b>	<b>83.3%</b>

## 9.6 National LGPS Procurement Frameworks

9.7 This year the National LGPS Frameworks are marking their 10<sup>th</sup> anniversary.

9.8 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).

9.9 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 £150m in projected savings as a result of the National LGPS Frameworks programme.

9.10 Since the last report to Committee in March 2022, two new Frameworks have been launched: a new Stewardship framework; and Pensions Administration Operational Support Services Framework.

The Team are working closely with Funds and Pools across the LGPS on replacement Investment Consultancy and legal Frameworks.

Two additional Frameworks Officers have been appointed, as part of the team restructure as part of the Strategic Review.

The National LGPS Frameworks were shortlisted in the Team of the Year category at this years' 'GO Awards' (which recognise excellence in public procurement).

## 10. Knowledge and Skills

10.1 There is an ongoing requirement for members of the Pensions Committee, Pensions Oversight Board and Officers to evidence a level of knowledge commensurate with the decisions they are making.

- 10.2 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 maintained.
- 10.3 All members of Committee and POB have access to the LGPS online learning academy to support them in gaining and maintaining their knowledge. Five licences are also available for Fund Officers. Members are encouraged to refer to relevant online modules that will assist their understanding of specific agenda items in advance of Committee or Board meetings.
- 10.4 All mandatory officer training is up to date.

## **11. Admission Agreements**

- 11.1 There is one admission agreement for the Committee to note:
- 11.2 **Admission Agreement – Edwards & Blake (Unity Education Trust)**
- 11.3 We have received an application for a new admission agreement from the catering contractor Edwards & Blake, as they onboard a new contract win.
- 11.4 The admission application is in respect of a catering contract with Unity Education Trust at the sites of Greyfriars Academy, Magdalen Academy, St Germans Academy and Wimbotsham & Stow Academy commenced February 2022 for a contract length of 3 years.
- 11.5 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.
- 11.6 The Scheme Employer (Unity Education Trust) will be party to the admission agreement.
- 11.7 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.
- 11.8 The legal agreements will be sealed under Chief Officer powers by the Executive Director of Finance & Commercial Services.

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

- 12.1 There are none to report this quarter.

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

- 13.1 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.

ENQ Reference / Requester	Details	Date Received	Action
ENQ-555953-D7W1Q1 Bloomberg	Q4 2021 and Q1 2023 alternative investment portfolio records for close-ended funds	25/04/2022	Responded
ENQ-554309-H5G3P3 With Intelligence	Details on assets under management (AUM) and current and target asset allocation	14/04/2022	Responded
ENQ-553980-F0N7X5 Altman	Quarterly cash-flow reports from Q4 2021 of all private capital investments	14/04/2022	Responded



ENQ-552590-J8M4C7 What do they know?	Information on investment regarding indiscriminate weapons, weapons of mass destruction, or nuclear weapons	05/04/2022	Responded
ENQ-545518-V0P9Q9 Research Pension	Full details of what the Local Government Pension Fund currently invests in at the most recent date	03/03/2022	Responded
ENQ-545926-Z4C4Z4 With Intelligence	Full meeting packets from investment meeting held on 1 March 2022 including Pitch books and consultant reviews	03/03/2022	Responded
ENQ-543258-L8S5F7 PitchBook	Q3 2021 performance data for alternative asset holdings	21/02/2022	Responded
ENQ-543259-W5C9V8 Cobalt Software	Q3 2021 fund performance levels for private equity and real estate portfolio	21/02/2022	Responded
ENQ-541598-C8T2N1 Preqin	Commitment, Contribution, Distribution, Value, and IRR as of 30 September 2021 and 31 December 2021	11/02/2022	Responded
ENQ-538851-V7L7Y2 Bloomberg	Q3 & Q4 2021 alternative investment portfolio records for close-ended funds	01/02/2022	Responded

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

- 14.1 Please see Appendix I for meetings and events which have taken place since the last Pension Committee.

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

- 15.1 The rolling one-year Pensions Committee Forward Plan is attached at Appendix J.

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

- 16.1 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.

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

- 17.1 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.

#### **18. Data Protection Impact Assessments (DPIA)**

- 18.1 We have not identified any data protection implications for the content of this report.

#### **19. Risk Implications/Assessment**

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

#### **20. Recommendations**

- 20.1 The Committee is asked to consider and note the content of this report including:

1. The Admission Agreement in respect of – Edwards & Blake (Unity Education Trust)

## **21. Background Papers**

- 21.1 Appendix A - Governance Statement  
Appendix B - Summary note of SAB meeting on 7<sup>th</sup> March 2022  
Appendix C - Hymans Robertson's 'Current issues in the LGPS' May 2022 edition  
Appendix D - Key Performance Indicators  
Appendix E - Customer Care and Communication Strategy  
Appendix F - Primetime Spring 2022  
Appendix G - Employer Newsletter March 2022  
Appendix H - Internal Audit Report 2021-22  
Appendix I - Representation on behalf of the Norfolk Pension Fund  
Appendix J - Pensions Committee Forward Plan

### **Officer Contact**

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

**Officer name:** Glenn Cossey **Tel No.:** 01603 228978

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



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# **Governance Strategy Statement**

**This document sets out the  
governance arrangements  
for the  
Norfolk Pension Fund  
as at May 2022**

## 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	Alison Birmingham
	Norfolk County Councillor	William Richmond
	Norfolk County Councillor	Daniel Roper
	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	Simon George
	(NCC Executive Director of Finance and Commercial Services)	
	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>	Frances Crum Active/deferred member
<b>Scheme Member Representative</b>	Peter Baker Pensioner member
<b>Scheme Member Representative</b>	Jonathan Dunning 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>	Sally Albrow, 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

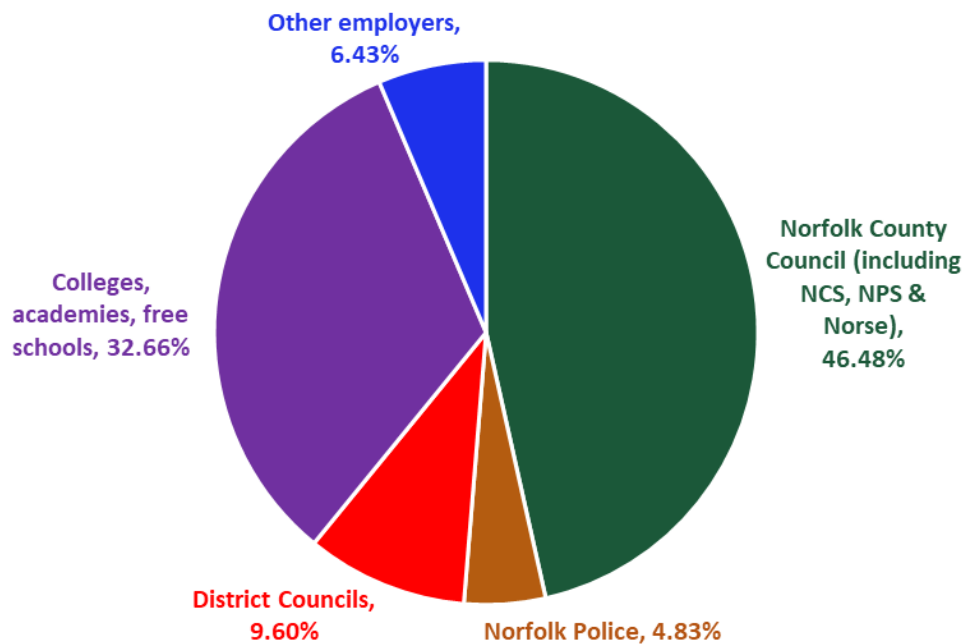
## Legislation and Regulations

- 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 2022



## 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 2022

**426 Contributing Employers**

**28,490 Pensioners**

(members in receipt of a pension from the Fund)

**29,985 Active members**

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

**40,305 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 newsletter 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)**

**Online, Technical and i-Connect Queries**

**01603 222132  
[pensions.technical@norfolk.gov.uk](mailto:pensions.technical@norfolk.gov.uk)**

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



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

### Summary note of (hybrid) Scheme Advisory Board meeting on 7<sup>th</sup> March 2022

Full details of the meeting and agenda papers can be found on the [board meetings page](#).

The minutes of the meeting on 13th December were approved.

The main points arising from the meeting are shown below:

**Welcome and Introduction** - In the absence of Cllr Roger Phillips, the meeting was chaired by Jon Richards. In response to recent events in Ukraine the Board was informed that a statement advising fund authorities to review their investments in Russia has been posted on the SAB website. Fund authorities have also been asked to submit details of any direct holdings in Russian assets over 1%.

**Levelling Up White Paper** - Members were informed that following publication of the White Paper on the 2nd February the Secretariat has met with the pensions team at DLUHC to clarify a number of issues. It has now been made clear that the 5% target for local projects is an ambition and not mandatory but that having a plan to achieve the 5% will be mandatory. Fund authorities may also exceed the 5% target if they wish. DLUHC has also confirmed that in the context of the White Paper's proposals local means the UK rather than just the area local to each individual fund authority.

**Sharia Compliant Investments** - Members were advised that the Investment Committee had recommended that the Board considers the advice from Counsel on issues for scheme employers around the Sharia compliance of LGPS investments. The advice covered whether scheme employers have the power to offer an alternative scheme. The commission was in response to representations from some authorities that a number of scheme members are opting out of the scheme because they feel that the nature of scheme investments does not comply with their religious beliefs.

**PSPJO Bill** – The Board was advised that the Queen's Speech had included reference to a new Boycotts, Divestment and Sanctions Bill relating to the expenditure, procurement and investments of all public bodies including the authorities administering the LGPS. Separately and in advance of that Bill, an amendment to the Public Service Pensions and Judicial Offices Bill was tabled by Robert Jenrick MP to create a new clause granting responsible authorities the power to issue guidance or directions on investment decisions which it is 'not proper for a scheme manager to make in light of UK foreign and defence policy' The amendment was successfully passed as contrary to earlier expectations, the government had changed its position and supported the amendment.

**Board/Committee Membership** - The Board approved a number of appointments to the Board and both committees that do not require formal approval from the Secretary of State. The Board also agreed that the Chair should send letters to former members thanking them for their service to SAB and its committees.

**Board Budget, Workplan and Forward Look** – The Board agreed that the proposed budget should be submitted to DLUHC for consideration, and that special "forward look" meetings should be held in April to discuss the Board's strategic priorities and annual workplan with the new Board Secretary once she is in post.

**Cost Management, Benefit Design and Administration Committee Report** - The Board agreed with the committee's recommendation that the Board's cost management process be amended in response to forthcoming changes to HMT's Cost Control Mechanism (CCM), as set out in the relevant committee paper.

**Investment, Governance and Engagement Committee Report** - The report to members covered a range of issues including the Levelling Up White Paper, the 2020 Stewardship Code, an update on the new Compliance and Reporting Committee, Sharia compliant investments, an update on compliance with the Code of Transparency and a report from the Chair of RIAG.

Date of Next Meeting – 6th June 2022

# Current issues in the LGPS

May 2022

## War in Ukraine – the wider impacts on the LGPS become clearer

The immediate aftermath of Russia's invasion had most investors racing to understand their exposure to Russian and Belarussian assets. However, the wider impacts on the LGPS and its investments are now becoming clearer and are presenting challenges. Given the generally small exposure to Russian assets, the main financial impact of the war on the LGPS has been the added upward inflationary pressure at a time when it was already climbing to highs not seen for over a decade. This has raised fears in markets of interest rates rising higher and more quickly, contributing to a global economic slowdown and even recessions. The market impacts have included bond yields rising, credit spreads widening and significant volatility in equity markets, as discussed in more detail in our [Spring 2022 Capital Markets Update](#), leading investors back to assessing their wider exposure to the impacts of this invasion.

## 2022 valuations: options, opportunities and objectives

A key action to improve valuation outcomes and experience is engaging early with employers. For those where the balance sheet position is less important and contributions are set over the long-term, there was no need to wait for membership data or 31 March market conditions. Therefore, discussion with councils are well underway for most funds. We recently provided a [short article in Room 151](#) to help senior finance officers consider their options and the best way to engage with the fund and actuary.

## Introducing InflationWatch

Since the pandemic, inflation in many countries, including the UK, has risen further and for longer than most market participants expected. Strong demand, ongoing supply chain constraints and rampant energy and commodity price inflation continue to push prices higher. How high will inflation go and will it persist? Has the era of respectable growth rates and low inflation finally come to an end? Welcome to "[InflationWatch](#)" to help you to assess the outlook for inflation and its implications for your fund.

## The Net Zero challenge

Addressing climate change is one of the greatest challenges facing humanity today. Enormous amounts of capital will be needed to deliver the necessary changes, so it's clear that institutional investors including LGPS funds have a key role to play. Decarbonising portfolios invested widely across different asset types, sectors and countries worldwide will be very challenging. Specific challenges include:

- Dealing with uncertainty
- Coping with imperfect data
- Striking a balance between engagement and divestment
- Capturing the investment opportunities associated with climate change as well as mitigating the risks
- Offsetting residual emissions

Read our [Room151 blog](#) for more.

## Stressed assured – is your funding strategy resilient to climate risk?

Will the contribution rates arising from the 2022 valuation be resilient to climate risks? With LGPS funds increasingly setting net zero targets – see above - on the asset side, our stress testing completes the circle by bringing in the liability side too. Our [short case study](#) explains more about the process and why it's essential for risk management and good governance.

## Some cost cap results...finally

After much delays due to McCloud, the Government Actuary's Department recently published the results of the 2016 cost cap valuations for the [Civil Service](#), [Firefighters'](#), [Welsh Firefighters'](#) and [Police](#) pension schemes. The Civil Service came within the 'corridor' but the others showed material increases in the cost of the scheme. The increases were all attributed to the cost of McCloud rectification – a point which is currently being challenged by various Unions in the courts. However, despite the increases breaching the cost cap corridor, there will be no changes to benefit or member contribution rates because of the one-off McCloud costs. We may expect similar results in the LGPS given the key drivers were at a macro-level and not scheme-specific.

## Academies – they're multiplying...

Following the recent [white paper](#) on education in England, our thoughts turn to the impact on LGPS funds and employers if the proposals go ahead as planned. Our [Sixty Second Summary](#) considers the administrative burden for funds, and the implications for employer contribution rates for Councils and Multi-Academy Trusts. Change on this scale brings funding challenges – we can provide initial analysis and advice to Councils in particular, which may face a significant reduction in their active membership earlier than anticipated.

## LGPS Online Learning Academy – about to enter its 2nd year of study!

And talking of academies.... come June 2022, the LGPS Online Learning Academy will celebrate its 1<sup>st</sup> birthday and enter its 2<sup>nd</sup> year of study! We are delighted that over 30 LGPS funds (with over 800 Committee, Board and Officer users) are participating in the Academy and have benefited from this flexible, fully trackable and recordable training platform. Our [webpage](#) provides the key details of the platform and some of the testimonial we have received over the past year from users. If you are thinking about enrolling your Fund in the Academy, please get in touch with [andrew.mckerns@hymans.co.uk](mailto:andrew.mckerns@hymans.co.uk) to discuss and demo the platform for you.

## Spotlight on infrastructure

Infrastructure is a "natural" asset choice for long-term investors, so it is not surprising that the asset class has attracted institutional capital for many years. The volume of capital deployed has increased over time, but not as quickly as many expected or hoped. Originating suitable assets is likely to remain a challenge, leading some to fear that the capital currently being committed will never be deployed, or that investors will compete too aggressively for assets and drive returns down to unattractive levels. Our briefing note, ["Infrastructure – Future Prospects"](#), provides an update on recent developments and future prospects for infrastructure and considers the continued validity of the investment case.

## Accounting update

March 2022 balance sheets will likely have improved compared to last year as a result of positive fund returns and favourable market conditions for the year end assumptions. Stakeholder interest in pension accounts is higher than ever before and we are being asked by more and more employers to assist with helping explain the figures and year-on-year movements to boards, committees and auditors. Please get in touch with [LGPSCentralAccounting@hymans.co.uk](mailto:LGPSCentralAccounting@hymans.co.uk) for any help with your year end.

## Tax relief for “low earners” in net pay arrangements

The Government’s November 2022 Budget set out plans to address the anomaly that sees pension scheme members who earn less than the income tax threshold being treated differently depending on the type of scheme they are in. Members who pay contributions to schemes that operate ‘relief at source’ (RAS) will receive a 20% top up to their retirement savings through the tax system, even if they don’t pay income tax. Members who pay contributions to schemes that use a ‘net pay arrangement’ (NPA), such as the LGPS, pay their contributions on pay before tax; effectively receiving immediate tax relief at their marginal rate. If a member does not pay income tax then they receive no tax advantages.

To address this disparity, HMRC will identify affected NPA scheme members and invite them to claim top-ups equivalent to the missing 20% tax relief, to be paid into their bank accounts. The intention was for the first such payments to be made in the 2025/26 tax year relating to contributions paid in the 2024/25 tax year. Citing the complexity of the IT arrangements and “other ongoing HMRC delivery programmes” the plan is now for payments relating to the 2024/25 tax year to be paid in the 2026/27 tax year. While these changes won’t impact schemes that operate NPA tax relief directly, trustees/pension committees may feel they want to communicate the changes to members in order to make them aware of their right to claim.

## Events & Podcasts round-up

### The LGPS Success Story

Don’t miss our LGPS Governance, Administration & Project Management event, taking place in London on 8 June. We’re very excited to be hosting our first in-person event since 2019! The event will be an opportunity to discuss the solutions which funds have implemented to improve governance, administration and the delivery of change.

[Register your place here.](#)

### Data Submission for LGPS 2022 Valuation

We ran the third webinar in our LGPS 2022 Valuation series yesterday. Our actuarial experts focused on all things data and what Administering Authorities should focus on when it comes to cleansing and submitting data for the valuation. Don’t worry if you missed it live, you can [catch the webinar on-demand, here.](#)

### PLSA Local Authority Conference 2022

We’re delighted to be once again supporting the PLSA Local Authority Conference in Gloucestershire on 13-15 June. Spread over three days, the agenda is filled with lots of interesting topics and has a great line-up of speakers, including our very own Susan Black. Susan will be joined by Carolyn Morgan from Avon Pension Fund, and together they will discuss how to “Marie Kondo” your governance arrangements. [Click here for more info and to register.](#)

### LGPS Employer Training

Following the success of our recent LGPS employer training sessions, we’re running another three sessions throughout June. We’ll focus on Pension Outsourcing, Employer Discretions and Assumed Pensionable Pay (examples only). If your Fund would like access to these sessions, or if you have any questions, please don’t hesitate to [get in touch.](#)

### A (Brief) History of UK Pensions and Institutional Investment

For our most recent episode of ‘Hymans Robertson On...’ Ben Farmer was joined by Ronnie Bowie and Andy Green to discuss how the investment landscape has changed over the years, some Hymans’ highlights (and howlers!) and the lessons we can learn for the future. You can [listen to the episode here.](#)

## In brief....

- McCloud - the wrangling continues! The LGA and FBU, acting on behalf of Fire and Rescue Authorities and members of the Firefighters Pension Scheme, have issued a [joint letter](#) to HM Treasury complaining about delays in implementing the reforms required to remedy the



judgment. The letter claims that this is causing immediate financial detriment to affected members who are currently receiving benefits. It also mentions that affected scheme members are preparing legal action over the issue.

- Climate risk alert – the UK’s actuarial profession has issued an [alert](#) to its members to highlight the risk that ‘actuaries may not appropriately consider, or communicate clearly, the impact of climate change and sustainability related issues in their actuarial work’. It urges actuaries to carry out stress and scenario testing in their advice to clients and to consider what support is required from other experts in this area. We are busy advising funds around this – the case study at the article above demonstrates how our climate change modelling feeds into funding strategy decisions at the 2022 valuation.
- STOP PRESS – we’ve just heard that, following a recent consultation exercise, Scottish Ministers have laid [amendment regulations](#) that will come into force in the Scottish LGPS from 1 June 2022. Amongst other things, these introduce significant flexibility around the handling of exit valuations and inter-valuation contribution changes (similar to those adopted in England & Wales in 2020). We’ll digest and share a note shortly with Scottish fund contacts.



## Appendix

### **War in Ukraine – the wider impacts on the LGPS become clearer**

[https://www.hymans.co.uk/media/uploads/Capital\\_Markets\\_Update\\_Spring\\_2022.pdf](https://www.hymans.co.uk/media/uploads/Capital_Markets_Update_Spring_2022.pdf)

### **2022 LGPS valuations: options, opportunities and objectives**

<https://www.room151.co.uk/blogs/2022-lgps-valuations-options-opportunities-and-objectives/>

### **Introducing InflationWatch**

<https://www.hymans.co.uk/insights/research-and-publications/publication/inflationwatch>

### **The Net Zero Challenge**

<https://www.room151.co.uk/blogs/the-net-zero-challenge-for-lgps-funds/>

### **Stressed assured – is your funding strategy resilient to climate risk?**

<https://www.hymans.co.uk/insights/research-and-publications/publication/stressed-assured-is-your-funding-strategy-climate-resilient/>

### **Some cost cap results... finally**

<https://www.gov.uk/government/publications/cost-cap-valuation-of-the-civil-service-pension-scheme>

<https://www.gov.uk/government/publications/cost-cap-valuation-of-the-firefighters-pension-scheme-england>

<https://www.gov.uk/government/publications/cost-cap-valuation-of-the-firefighters-pension-schemes-wales>

<https://www.gov.uk/government/publications/cost-cap-valuation-of-the-police-pension-schemes-england-and-wales>

### **Academies – they're multiplying...**

<https://www.hymans.co.uk/insights/research-and-publications/publication/sixty-second-summary-education-white-paper-and-the-impact-on-lgps-funds-and-employers/>

### **LGPS Online Learning Academy – about to enter its 2nd year of study!**

<https://www.hymans.co.uk/services/lgps-online-learning-academy/>

### **Spotlight on infrastructure**

<https://www.hymans.co.uk/insights/research-and-publications/publication/infrastructure-future-prospects/>

### **The LGPS Success Story**

<https://www.hymans.co.uk/insights/events/the-lgps-success-story/>

### **Data Submission for LGPS 2022 Valuation**

<https://www.hymans.co.uk/insights/webinars/data-submission-for-lgps-2022-valuation/>

### **PLSA Local Authority Conference 2022**

<https://www.plsa.co.uk/Events/Conferences/Local-Authority-Conference>

### **A (Brief) History of UK Pensions and Institutional Investment**

<https://www.hymans.co.uk/insights/podcasts/investment-a-brief-history-of-uk-pensions-and-institutional-investment/>

**LGA and FBU joint letter to HM Treasury**

<https://www.fbu.org.uk/sites/default/files/circulars/attachments/FBU%20LGA%20Joint%20Letter%20Immediate%20Detrim%20to%20HM%20Treasury%20and%20HO%2004.04.22.pdf>

**Climate risk alert**

<https://www.actuaries.org.uk/system/files/field/document/2022%20Climate%20change%20and%20sustainability%20Risk%20Alert%20final.pdf>

**Scottish amendment regulations**

<https://www.legislation.gov.uk/ssi/2022/153/made>



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## Key Performance Indicators (KPIs)

## Admin KPIs

Target = 100%

RAG Status

&lt;75%

76% - 84%

&gt;85%

This table shows the volume and percentage within target number of days for Admin KPIs.

Task	Days	Feb-21		Mar-21		Apr-21		May-21		Jun-21		Jul-21		Aug-21		Sep-21		Oct-21		Nov-21		Dec-21		Jan-22		Feb-22		Mar-22		Apr-22		Monthly	
		Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
Transfer In Quotes	10	31	84	30	90	25	92	11	91	26	96	24	96	18	94	21	100	42	98	38	95	36	94	21	95	23	87	23	91	29	100	27	94
Transfer Out Quotes	10	50	92	60	98	45	96	40	98	32	100	48	100	49	100	41	93	64	92	57	96	42	95	57	98	41	100	46	93	39	100	47	97
Refund Payments	5	34	100	45	100	41	100	31	100	32	100	35	100	47	100	53	100	32	100	53	100	29	100	55	100	49	100	39	100	46	100	41	100
Estimate of Retirement Benefits	10	106	91	173	91	108	95	136	90	177	99	118	97	90	99	101	98	132	96	141	89	103	100	135	96	116	96	107	97	91	82	122	94
Actual Retirement Benefits	5	137	100	139	100	139	99	124	100	143	100	138	98	136	100	197	100	128	100	141	100	102	100	145	97	113	98	165	99	128	94	138	99
Acknowledge Death of Member	5	112	98	69	90	43	72	54	80	73	96	50	94	60	98	73	96	87	98	69	94	77	88	109	92	78	95	65	98	68	99	72	93
Notify Dependant's Benefits	5	37	95	34	59	29	41	25	60	21	100	23	91	24	92	25	84	40	95	32	97	17	88	23	83	32	91	32	100	21	57	28	82
Notify Deferred Benefits	10	195	98	131	99	130	96	160	99	166	98	171	98	118	97	204	99	186	98	234	100	262	99	260	97	221	97	185	97	166	83	186	97
Altair Housekeeping	5	12	100	14	100	13	100	13	100	12	83	12	100	13	69	12	67	13	92	14	93	13	100	14	100	14	100	14	100	14	64	13	91

Estimate of Retirement Benefits and Actual Retirement Benefits take priority over other tasks.



## **Customer Care and Communication Strategy Statement May 2022**

**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**, we continue to review and amend our Customer Care and Communication Strategy in line with the latest COVID-19 situation.

# 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 information or ideas'

## Our Core Customer Care Standards

In normal times these are our core customer service standards. These are currently impacted by COVID-19, but we still aim to meet the standards where possible.

- To answer the telephone within 15 seconds, and respond to enquiries within five working days
- To respond to letters within five working days
- To respond to email enquiries within three working days
- To meet visitors within five minutes of appointment time
- When visiting, to agree a time in advance and show an identity card

## 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
  - Department for Levelling Up, Housing and Communities 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.

We make use of telephone, email, post, internet, social media and paper publications. However, face-to-face conversations and meetings, seminars, road shows, attendance at conferences and other forums have been limited due to COVID-19.

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

## 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)

Alison Birmingham

William Richmond

Daniel Roper

Martin Storey

#### District County Councillors

John Fuller

Alan Waters (Vice Chairman)

#### Staff representative

Steve Aspin



## Sharing information

### Committee Meetings

The Pensions 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>	Frances Crum (Active/Deferred member)
<b>Scheme Member Representative</b>	Peter Baker (Pensioner member)
<b>Scheme Member Representative</b>	Jonathan Dunning (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>	Sally Albrow (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 (29,985)**

People currently in the employment of a participating employer.

### **Deferred members (40,305)**

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

### **Pensioner members (28,490)**

People in receipt of a pension from the Norfolk Pension Fund.  
(Membership numbers as at 31 March 2022)

## 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 - 5.00pm**

**Friday 8.45am - 4.00pm**

# Scheme members

## Sharing information with scheme members...

\*Item currently restricted due to COVID-19

	Active	Deferred	Pensioner
<b>Internet</b> The Norfolk Pension Fund website provides advice, information and news as well as <b>direct and secure access to members personal data</b> , including a pensions calculator for active members at <a href="http://www.norfolkpensionfund.org">www.norfolkpensionfund.org</a>	✓	✓	✓
<b>Scheme guide</b> A scheme guide is supplied to all members and published on the website.	✓	✓	✓
<b>Annual Benefit Statement and newsletter</b> Annual Benefit Statement booklets are sent to members' home addresses. The booklet also gives information on changes to the scheme and other topical issues, including a summary of the accounts and a general review.	✓	✓	x
<b>Annual Meeting and Pension Clinics*</b> 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.	✓	✓	x
<b>Pay Advice and Pensions Increase Notification</b> 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.	x	x	✓
<b>Pensions roadshows*</b> Roadshows are run as, when and most importantly where they are needed.	✓	x	x
<b>Pre-retirement course</b> 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.	✓	x	x
<b>Retired members events*</b> 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.	x	x	✓
<b>Retired members newsletter</b> 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.	x	x	✓

## 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.

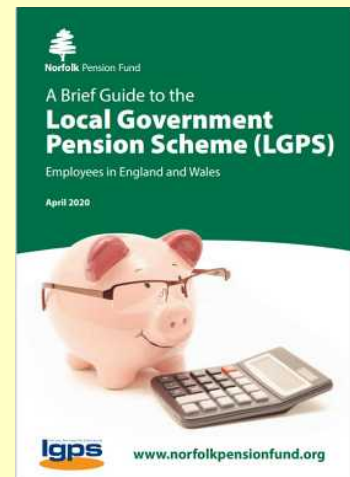
Some members will have circumstances that may make it appropriate to opt out of the Fund.

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, information, forms and employer newsletters are all available online. Our employer portal, i-Connect, 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

**Department for Levelling Up, Housing and Communities:** We have regular contact with the Department for Levelling Up, Housing and Communities, 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, Head of Governance, 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 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 Northern Trust, 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.

**Governance Head of Governance,** 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

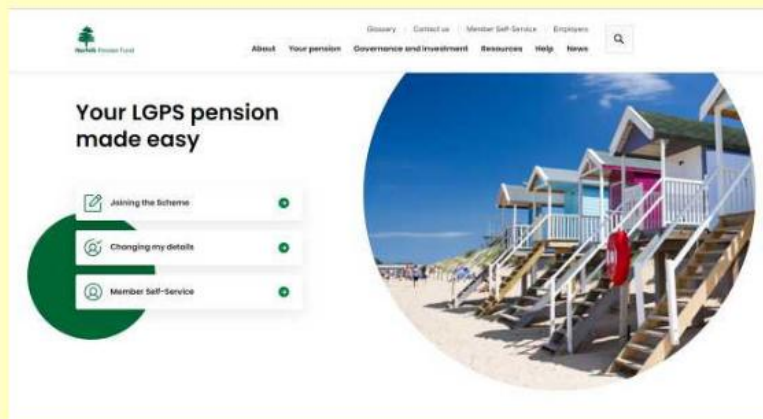
**Visit the Norfolk Pension Fund at**  
**[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)**

### 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 **2022**  
Issue **16**



Pension fund newsletter  
**for retired members**



**Norfolk Pension Fund**

Delivering the Local Government  
Pension Scheme

# Please keep in touch!

**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 let us know if you move house or if this edition of Primetime didn't arrive at your correct address. A good way to do this is by using Member Self-Service (please see page 12 for more details) on our website **[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)**

Other ways you can tell us your new address are:

## Email:

[pensions@norfolk.gov.uk](mailto: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 8.45am to 5.00pm Monday to Thursday and 8.45am to 4.00pm on Fridays.



**Norfolk Pension Fund**

## 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:

Complete the 'Change of Name or Address' form which you can download from the 'Resources' page on our website

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

**Our postal address is:**  
Norfolk Pension Fund  
County Hall  
Martineau Lane  
Norwich, NR1 2DH

# Hello and welcome

**I'm delighted to introduce this spring edition of Primetime which includes all the usual information about the pension increase (which took effect from 11 April), latest tax news and pension pay dates for 2022-23.**

There's also help on how to protect yourself from scams and information about the Norfolk Pension Fund's approach to environmental, social and governance (ESG) investment.

I'd like to say a big 'thank you' to everyone who took part in the survey included in our last issue. Over 3,600 retired members completed the survey and your feedback will be used to provide the best possible service to meet your needs in the future.

Our offices remain closed to visitors at the moment, but please remember we're still here looking after your pension and available to help if you need us. 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



## Contents

Your pension increase	4	Norfolk Community Directory	15
When is my pension paid?	5	Pensions Committee and	
When do I get my payslip?	5	Pensions Oversight Board	16
Tax News for 2022-23	6	Our approach to	
Am I a taxpayer?	8	ESG investment	17
Pensioner Support Team News	9	Tell Us Once	18
Useful reminders	10	u3a - a world of opportunity	19
Member Self-Service	12	Do you have a query about	
Don't be a victim of scams	14	your pension?	20

# Your pension increase from April 2022

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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 2022 increase will be 3.1% based on the CPI rate in September 2021.

- If your pension started before April 2021 you will get the full increase
- If your pension started after April 2021 and before 26 March 2022 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!**

A good way to tell us about your new bank details is using Member Self-Service (please see page 12 for more details) available on our website at [www.norfolk.gov.uk](http://www.norfolk.gov.uk). Alternatively, 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 2022-23 dates will be...

May 2022	Tuesday 31 May
June 2022	Thursday 30 June
July 2022	Friday 29 July
August 2022	Wednesday 31 August
September 2022	Friday 30 September
October 2022	Monday 31 October
November 2022	Wednesday 30 November
December 2022	Friday 30 December
January 2023	Tuesday 31 January
February 2023	Tuesday 28 February
March 2023	Friday 31 March
April 2023	Friday 28 April

# 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

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

**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.**

# Tax News for 2022-23

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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 2022-23 tax year, the **personal allowance** will be £12,570 and tax will only be payable on income over this 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 2022-23, 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](http://www.gov.uk/marriage-allowance)**

## New Year Tax Codes

In February, we start getting large volumes of tax codes for the new tax year 2022-23. If you receive a new tax code statement from HMRC around this time look for the tax year on it. It may be for 2022-23. 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 2022-23	Tax Year 2021-22
Basic Rate: 20%	£1 - £37,700	£1 - £37,700
Higher Rate: 40%	£37,701 - £150,000	£37,701 - £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 2022-23	Tax Year 2021-22
Starter Rate: 19%	£1 - £2,162	£1 - £2,097
Basic Rate: 20%	£2,163 - £13,118	£2,098 - £12,726
Intermediate Rate: 21%	£13,119 - £31,092	£12,727 - £31,092
Higher Rate: 41%	£31,093 - £150,000	£31,093 - £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 2022-23	Tax Year 2021-22
Basic Rate: 20%	£1 - £37,700	£1 - £37,700
Higher Rate: 40%	£37,701 - £150,000	£37,701 - £150,000
Additional Rate: 45%	Over £150,000	Over £150,000

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

# 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 6, 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.



# Pensioner Support Team News

## A message from Paul Stimpson, Pensions Payroll Manager

I hope you've managed to stay safe and well over the last few months.

The team continues to work at home, although we do now have the flexibility to use the office if we need to. The whole team (see the photo below) met up for lunch just before Christmas – it was the first time we'd seen each other in person since March 2020 and the first time we all got to meet our newest team member, Helen, face-to-face! It was a morale boosting afternoon, especially as the chocolate advent calendars got handed out!

Remember, we're always available to help with your pension, so please contact us at [pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk) or call 01603 495788. Another great way to keep up to date with your pension, or let us know of any change to your details, is through our online Member Self-Service website – please see page 12 for more details.

## Meet the Pensioner Support Team

The Pensioner Support Team below, from left to right, are Nichola Symonds, James Colk, Shenda Hedtke, Paul Stimpson, Gary Lemmon, Helen Hayes and Sandra Pye.



# 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.

**Please see page 2 on how to tell us if you move.**



## 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 the UK credit 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 if your bank details change by using **Member Self- Service** (please see page 12 for more details) on our website **[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)**

Alternatively, please send a letter or return the 'Bank or Building Society Payment Details' form (which you can download from our website **[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)** under the 'Resources' section) to us at the address shown on the back page.

**Please remember to sign your letter or form.**

## 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 us a copy of the full document or the online LPA access code to enable us to view online. Please do not send the original document. We can then work with your Attorney. Remember though, we only need to see a POA if it is being used – **please do not send us a POA if you are still managing your finances.**

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.



# Member Self-Service

## Check out your pension online...

Member Self-Service is a secure, dedicated area on our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) where you can access and view your pension details.

Member Self-Service allows you to:

- update your contact details including your address and bank account
- see and download your payslips and P60
- upload documents to us
- contact us securely

**If you haven't registered for Member Self-Service, please visit our website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org), click on 'Member Self-Service' and then click the 'Register' button.**

**We will then send you an Activation Key by post or email.**

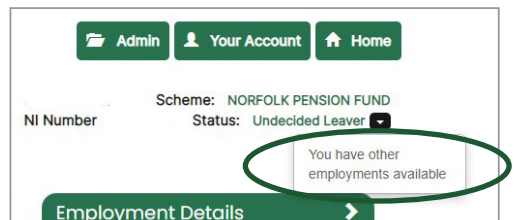
For help with registering, please call us on **01603 222132** or email us at [pensions.mss@norfolk.gov.uk](mailto:pensions.mss@norfolk.gov.uk)

For questions about your pension, please call us on **01603 495788** or email us at [pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk)

## Member Self-Service Top Tips!

### ● Have you got more than one pension account with us?

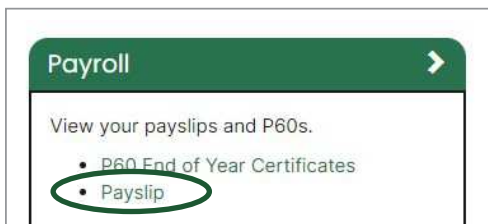
To view all your accounts, click on the arrow towards the top of the screen and then select the one you would like to view



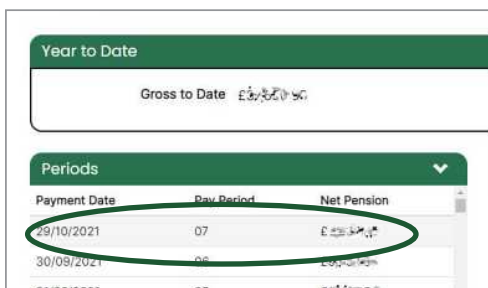
## ● Want to look at your payslips?

Your payslips can be found under 'Payroll' on your Dashboard.

Just click on **'Payslip'**

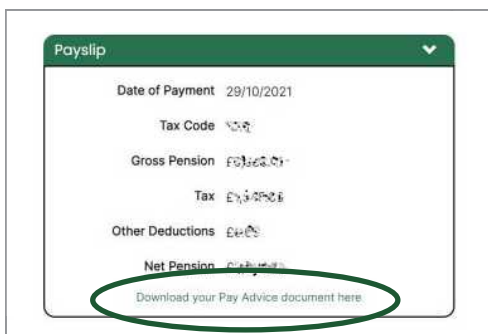


Select the payslip you want to see on the left and the details are displayed on the right.



For payslips **from October 2021** onwards you can click on the words **'Download your Pay Advice document here'.**

This will download a copy of your payslip to your device which you can save or print as you wish.



## ● Want to look at your P60?

From the end of April 2022 you can view your P60s under the 'Payroll' section on your dashboard. Just click on **'P60 End of Year Certificates'**



To download your P60 click on the words **'Download your P60 document here'**

# Don't be a victim of scams

**Criminals are using increasingly sophisticated ways to con people out of their pension savings and investments. Please take action to protect yourself from the devastating effects scams can have on your life and finances.**

## **Fraudsters will often:**

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they're only making the offer available to you or even ask you to not tell anyone else about it

## **How to avoid investment and pension scams**

### **1. Reject unexpected offers**

Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's very high-risk or a scam.

### **2. Check the FCA (Financial Conduct Authority) Warning List**

Use the FCA's Warning List on their website [www.fca.org.uk/scamsmart/warning-list](http://www.fca.org.uk/scamsmart/warning-list) to check the risks of a potential investment – you can also search to see if the firm is known to be operating without FCA authorisation.

### **3. Get impartial advice**

Get impartial advice before investing – don't use an advisor from the firm that contacted you.

If you've lost money in a scam, contact

**Action Fraud** on **0300 123 2040**

or **[www.actionfraud.police.uk](http://www.actionfraud.police.uk)**

**For more information on investment and pension scams, visit the FCA website at [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)**





## The Norfolk Community

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

**NORFOLK COMMUNITY  
DIRECTORY**

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...

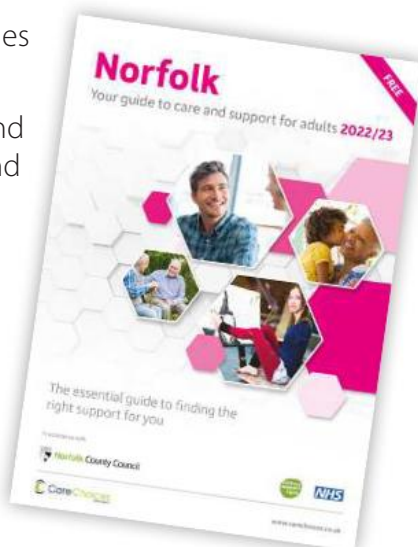
...contains lots of useful information to enable people to stay independent in their own homes for as long as possible.

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**.





# 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

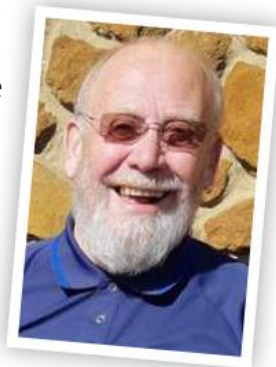
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The Pensions Oversight Board helps the Pensions Committee ensure that the Pension Fund is well managed. Unlike the Pensions Committee, the Pensions Oversight Board doesn't have the authority to make decisions. Its job is to make sure that the Pension 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.org](http://www.norfolkpensionfund.org)**



# Our approach to ESG investment

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The Norfolk Pension Fund gets much interest in its investment portfolio, particularly in relation to our policy on ESG (Environmental, Social and Governance) matters.

As our investment policy is formally documented in several different policies, we have produced a 'Statement on Disinvestment/ Exclusion & ESG (Environmental, Social & Governance) Aspects of Investment Strategy' which brings together our approach to this area of investment in one document.

The statement covers four key areas:

- Purpose and Governance of the Fund

- Disinvestment & Exclusion
- Responsible Investment
- Climate Risk

The Statement is published on our website at

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

or please contact us to request a copy.



## 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/about/norfolk-pension-fund-full-privacy-notice/](http://www.norfolkpensionfund.org/about/norfolk-pension-fund-full-privacy-notice/)**

# Tell Us Once



**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**.

## Bereavement support



If you, or someone you know, has suffered a loss, you'll find information on where to go for help and support at **[www.norfolk.gov.uk/grief](http://www.norfolk.gov.uk/grief)**

### Finding support

If you feel you need additional support, there are many ways to get help. Volunteer bereavement support workers, self-help groups, faith groups and community groups can all provide support. You can also seek professional counselling if you feel like you need it.

You can find these groups in the following ways:

- Search for local support groups using the **[www.norfolk.gov.uk/directory](http://www.norfolk.gov.uk/directory)**
- Ataloss can help you find national help groups and services **[www.ataloss.org](http://www.ataloss.org)**
- Cruse Bereavement support offers a helpful tool that can help you identify what type of support will be best for you **[www.cruse.org.uk](http://www.cruse.org.uk)**

# u3a - a world of opportunity

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**u3a (University of the Third Age) is a UK-wide collection of 1000+ locally-run interest groups giving people no longer in work the opportunity to come together and learn for fun.**

By providing ways to meet others, acquire new knowledge and stay active, the u3a movement is integral to promoting health and wellbeing in retirement.

We are a movement of 450,000+ vibrant and energetic people who forge new interests, make new friends and develop talents. And it's all done at low cost – on average it costs less than £20 a year to join a u3a.

Members share their skills and talents, both online and face to face – every week.

Groups in Norfolk discuss films, growing their own vegetables, learning languages and much more – and there is always the opportunity to start new groups.

As well as local u3as, there is also an online u3a, with members from all across the UK.

See how u3a has changed our members' lives, and get a snapshot of the opportunities available, by watching our new film, 'Do Something Brilliant Today' on

**[www.youtube.com/watch?v=DgICh7ZyQDE](http://www.youtube.com/watch?v=DgICh7ZyQDE)**

We believe that once you are no longer working full-time you have a world of opportunity ahead – whoever you are and whatever your circumstances.

**To find out more and come and join us, please visit [www.u3a.org.uk](http://www.u3a.org.uk) or call 020 8466 6139.**



# Do you have a query about your pension?

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Please let us know as soon as possible if you have a query, or think there has been an error with your pension. Most issues 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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**Norfolk Pension Fund**

## Employer Newsletter March 2022

### Welcome to our Employer Newsletter

Work has commenced on the triennial valuation of the Fund, the results of which will be used to set employer contribution rates for the three years commencing 1 April 2023. You can find more details on the valuation, including the impact of current events and what the process means for you, on page 3.

In this issue, there's also information on how you should be using i-Connect to submit your member forms. Please also remember to submit your March 2022 monthly i-Connect return to us before 31 March 2022, or shortly thereafter, and in any case before 30 April 2022 at the very latest. This will help us deliver a smooth and timely valuation.

The Fund has just published a statement bringing together all the elements of our Environmental, Social and Governance (ESG) investment strategy in one place - I know this is an area of interest to many of you, and you can read more about it on page 5.

Best wishes,

Glenn Cossey  
Director the Norfolk Pension Fund



### In this issue

- **Triennial Valuation**
- **i-Connect**
- **Scheme Contribution Bandings 2022/23**
- **Employer Forum**
- **Member Self-Service**
- **New LGPS branding and website**
- **Norfolk Pension Fund Governance**
- **Pensions Committee news**
- **Pensions Oversight Board news**
- **ESG Investment Statement**
- **A reminder on scams**
- **New Member Joiner Pack**
- **Outsourcing**
- **Pre Retirement Course**
- **Employer's Pension Policy**

## Triennial Valuation

**The next triennial valuation of the Fund** at 31 March 2022 is approaching fast!

It's a statutory requirement that all English and Welsh LGPS funds, including Norfolk, are valued and health checked at this point.

The valuation exercise is very important as it provides the information used to set your contribution rates for the three years commencing from 1 April 2023.

The preparation work for the valuation started before Christmas. As part of the work completed to date, the Fund Actuary has modelled stress tests of asset shocks (significant valuation falls) and climate risk impact. Unfortunately, the former is very much a reality currently as we see the wider impact of the tragic events unfolding in the Ukraine and the latter is something that all organisations need to consider in their long term planning. This analysis was considered by the Pensions Committee at their March meeting and evidenced the broad resilience of the long-term funding strategies adopted by the Fund in the downside scenarios tested.

It is a sobering thought that since the last valuation of the Fund, the world has seen the impact of a global pandemic and one of the most serious geopolitical events since the Second World War. Against this background, Governments must also consider their policy response to climate change and the transition to a lower carbon future.

This is the first valuation when the majority of you are submitting data via the new i-Connect system. A few employers will be onboarding to the new system at the start of the 2022-23 financial year and are therefore producing a final year-end submission at 31 March 2022; if this is you, then the arrangement will already have been confirmed by the Fund.

For everyone else, the monthly i-Connect submission now forms the basis of the data used by the Actuary. In all cases it is vital that we have complete and accurate data as soon as possible

after the 31 March 2022 and prior to 30 April 2022. If your data is late, or incorrect, it holds up the entire Fund valuation process. It could also incur additional pension costs for your organisation. For example, some employers have experienced salary strain costs after they provided inaccurate pay data.

Poor quality data may also impact on those of you who receive statutory financial reporting of your pension position from the Fund. Ultimately, if auditors have insufficient assurance on data quality they may choose to qualify accounts.

**Please therefore contact us as soon as possible if you should have any difficulties providing data. If you use a third party to prepare data, such as a payroll provider, please remember that you are still responsible for making sure we receive your data on time and in good order.**

The Pensions Committee will meet on 21 June 2022 to review the valuation assumptions recommended by Hymans Robertson, the Fund Actuary. Hymans will then present an overview of the initial expectations of the valuation at the Employer Forum on Thursday 30 June 2022.

In September 2022, the Pensions Committee will consider the initial whole-fund valuation results. We then expect to issue individual employer results in November 2022. The Employer Forum to be held later in November will then focus on the valuation outcome.

The statutory consultation with our employers on the Funding Strategy Statement will begin shortly afterwards. This will allow the valuation to be finalised in advance of the 31 March 2023 deadline for employer contribution rates payable for the period 1 April 2023 to 31 March 2026.

We will keep you up to date should there be any changes to the valuation approach or timeline.

**As ever, if you need any help, please don't hesitate to call Alex Younger, Head of Funding and Investment, on 01603 222995 or at [alexander.younger@norfolk.gov.uk](mailto:alexander.younger@norfolk.gov.uk)**



## i-Connect

### i-Connect Submissions

**Remember to keep** submitting your i-Connect file to us each month before the last day of the month.

You need to ensure the same values appear on your SR71 monthly remittance advice for the month as in your i-Connect file.

If you need to make any adjustments to your SR71 or i-Connect submissions for the 2021/22 year,



remember March 2022 is the last month of the year!

### i-Connect Member Forms

**We introduced** new functionality to upload member forms to us securely via i-Connect in January 2022.

Currently, forms can only be uploaded to a member's account that appeared on your last i-Connect submission – so please make sure you submit your leaver forms before you process the next month's i-Connect file!

### Year End

**Employers onboarded** to i-Connect don't have to submit a Year End Return – so that should save a lot of work at a busy time of year!

However, as part of our ongoing data quality checks and preparation for the Triennial Valuation, we may contact you to verify and validate some member data.

If you do receive a request from us, please ensure that you respond fully and promptly.

Any delays, even by just one employer, can have an impact on the triennial valuation process for the whole Pension Fund.



### Contact Us

**If you have any questions** about i-Connect or need more users in order to submit forms to us, please contact the Technical Services Team on

**01603 222132** or email

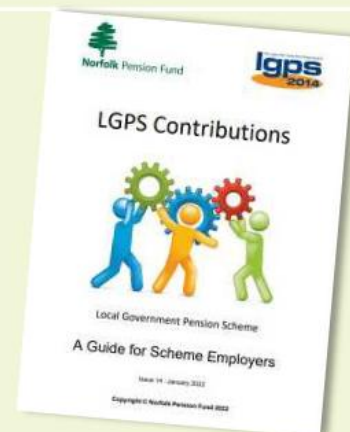
[pensions.technical@norfolk.gov.uk](mailto:pensions.technical@norfolk.gov.uk)

# Scheme Contribution Bandings 2022/23

The bandings for scheme member contributions are revised at the beginning of each scheme year to reflect inflation.

The new bandings for 2022/23 are shown in the latest issue of our Scheme Member Contributions Guide (GO20) available on our website (under 'Employers') and attached with this Newsletter.

The new bandings should be implemented in the first payroll from 1 April 2022.



## Employer Forum

**Thursday 30 June**

Join us for our next virtual Employer Forum.

The main session will be a webinar running from 10.00am to 11.30am, with highlights including:

- An overview from Hymans Robertson of the Fund's triennial valuation which is due on 31 March 2022 and establishes the funding position (solvency) of scheme employers, setting their contribution rate for the three years from 1 April 2023
- Fund news and latest on the LGPS
- Administration update
- Ask the Panel Q&A session

To make your reservation, please email [pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk) by Friday 24 June. We'll then send you a meeting link shortly before the webinar.



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**



## Member Self-Service

**Please remind your employees** that our new Member Self-Service (MSS) online portal offers a great way for them to view their pension details quickly and securely.

Member Self-Service can be used to :

- View pension account benefits and latest valuation
- Amend personal details, such as home address
- Update Death Grant nomination details
- Calculate pension benefits with the Benefit Projectors
- View the Annual Benefit Statement

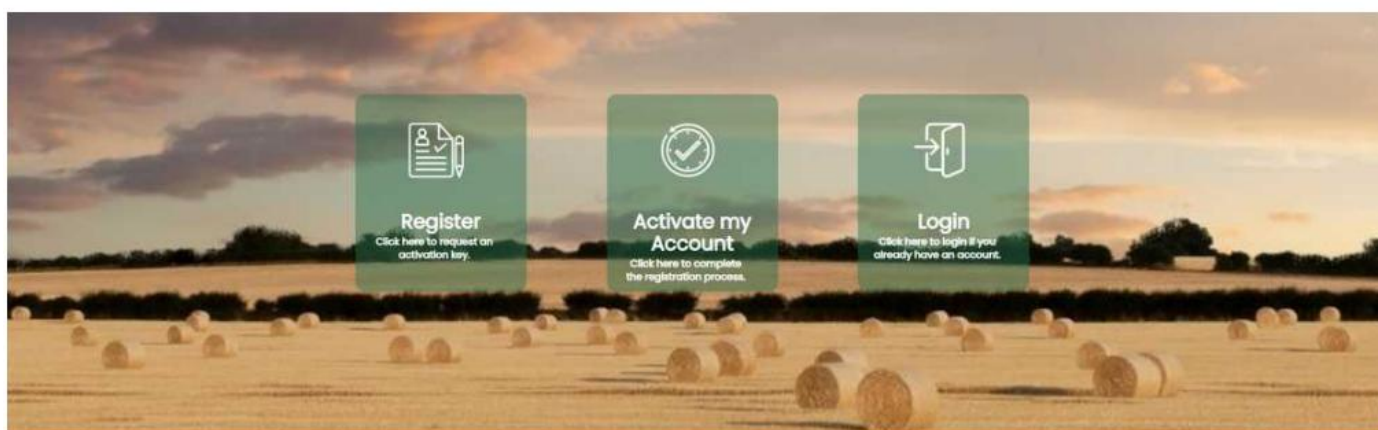
- Upload documents and queries
- Contact us securely

The new service can be accessed from the homepage of our website at

[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) by clicking 'Member Self-Service' on the menu bar or on the 'Member Self-Service' icon.

For support, we have a dedicated Member Self-Service helpline on **01603 222132** and email address [pensions.mss@norfolk.gov.uk](mailto:pensions.mss@norfolk.gov.uk)

To help you promote Member Self Service to your employees, we have produced a 'Keep in touch with your pension online' PDF, which can be [downloaded here](#) to print or email.



Welcome to Member Self-Service

## New LGPS branding and website

### The Local Government Pension Scheme (LGPS)

has refreshed its brand identity with the aim of creating "a modern and distinctive brand image that asserts a professional authority while remaining open and accessible."

The identity consists of a new brandmark in English and Welsh, colour palette, font family and a set of illustrations.

At the same time, the LGPS has also updated its member website to improve the user experience and make it easier for members to understand their pension.



A key requirement for the website is to make all of the content available to everyone, including those with disabilities, in line with Government accessibility requirements for public sector websites.

The new website and branding can be viewed at [www.lgpsmember.org](http://www.lgpsmember.org)

## Norfolk Pension Fund Governance

**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. All public sector pension schemes are also required to have a local pensions board (known in Norfolk as the **Pensions Oversight Board**), to assist the

Administering Authority in ensuring the effective and efficient governance and administration of the scheme.

The Governance Strategy Statement details our governance arrangements, which can be viewed on our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) under the 'Resources' section.

## Pensions Committee news

**The Pensions Committee held** meetings on 7 December 2021 and 1 March 2022, which was also attended by Norfolk Pension Fund officers and advisors.

Alongside its regular oversight of investment and administration performance, and progress reports on the ACCESS investment pool, the Committee also considered the Corporate Governance and Shareholder Engagement Report (including climate risk reporting), the 2022 valuation, a status report

on the Norfolk Pension Fund Strategic Review and an update on post pandemic service delivery.

You can watch recordings of the public section of both the December and March meetings on the Norfolk County Council YouTube channel [here](#).

The next Pensions Committee meeting is on 21 June 2022.

Pensions Committee papers can be viewed on the Norfolk County Council website [here](#).

### Norfolk County Councillors

Judy Oliver (Chairman)

Alison Birmingham

William Richmond

Daniel Roper

Martin Storey



### District County Councillors

John Fuller

Alan Waters (Vice Chairman)

### Staff representative

Steve Aspin



## Pensions Oversight Board news

**The Pensions Oversight Board (POB)** has recently welcomed two new members.

In December 2021, Frances Crum was elected representative for active and deferred scheme members.

In February 2022, Sally Albrow was appointed as the Norfolk County Council employer representative.

Our scheme employers are represented on POB by Cllr Chris Walker (Poringland Parish Council), representing levying/precepting employers and Howard Nelson (DNEAT), representing non-levying/precepting employers, alongside Sally, representing Norfolk County Council.

POB met on 11 November 2022 and on 9 February 2022.

In addition to the usual administration and

Pensions Committee update, the Board considered the Triennial Valuation, LGPS reform and an update on the Norfolk Pension Fund strategic review.

More information on the work of POB, and copies of meeting agenda and minutes, can be found on the Governance and Investment section of our [website here](#).



Chris Walker



Howard Nelson

## ESG Investment Statement

**The Norfolk Pension Fund** gets much interest in its investment portfolio, particularly in relation to our policy on ESG (Environmental, Social and Governance) matters.

As our investment policy is formally documented in several different policies, we have produced a 'Statement on Disinvestment/Exclusion & ESG (Environmental, Social & Governance) Aspects of Investment Strategy' which bring together our approach to this area of investment in one document.

The statement covers four key areas:

- Purpose and Governance of the Fund
- Disinvestment & Exclusion



- Responsible Investment
- Climate Risk

A copy of the statement can be found on our website at [www.norfolkpensionfund.org/about/governance-and-investment/](http://www.norfolkpensionfund.org/about/governance-and-investment/)

## A reminder on scams

**Criminals are working harder** than ever to target public sector organisations, businesses and individuals, by taking advantage of the uncertainty caused by the Covid pandemic, and people working from home.

The Norfolk Pension Fund never shares personal information in emails and would encourage you to use i-Connect to send us data and submit forms.

At the Fund, we also conduct an annual audit of all our suppliers to ensure they meet data protection regulations.

National Trading Standards have a Friends Against Scams scheme which provides the following key messages, which you might find helpful when reminding employees on identifying and preventing criminal activity.

### **STOP - Be aware of suspicious communications such as:**

- Email or text messages claiming to be from a senior person in your organisation asking for business information or to make a payment
- Emails claiming to be from a regular or new supplier asking for Direct Debit instructions to be changed
- Phone calls offering tech support for home IT network or equipment
- Government offering to help you claim for grants or tax relief



### **CHALLENGE - Encourage your employees to question communications**

- Take time to think about what people are asking of you
- Understand that emails and texts can be spoofed to make them look genuine
- If you are in doubt speak to a colleague or line manager to get a second opinion
- Report all suspicious activity to Action Fraud
- Check requests have come from a genuine source by using contact information you know to be correct
- Only use your trusted IT support desk

### **PROTECT - Report all suspicious activity**

To report a scam, call **Action Fraud** on **0300 123 2040**.

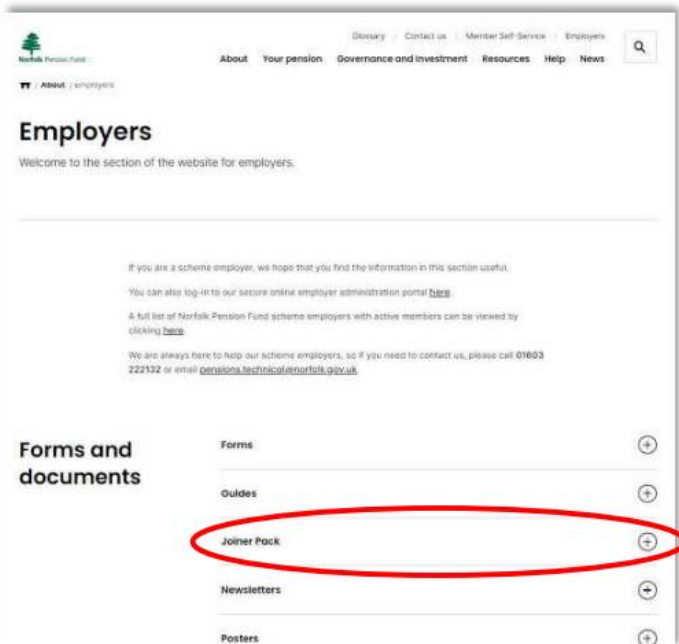
**For more information on  
Friends Against Scams,  
please visit:**

**[www.friendsagainstscams.org.uk](http://www.friendsagainstscams.org.uk)**



## New Member Joiner Pack

When you have a new employee, you can download PDFs of the joiner pack items for from the 'Employers' section of our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) under 'Forms and documents/Joiner Pack'.



You can also download the documents 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 i-Connect.



## Outsourcing?

**Just a reminder** that if you are considering options for reshaping and/or reorganising your service delivery, such as outsourcing, please let us know at the earliest stage of your planning.

What you are considering could have significant pension implications...

We can help you understand these and take account of them upfront, for example considering what pension information you may need to include in your tender documentation.



If you are considering making any changes to your service delivery, please contact  
**Alex Younger** at  
[alexander.younger@norfolk.gov.uk](mailto:alexander.younger@norfolk.gov.uk)

## 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

- 19 & 26 May 2022 (two half days)
- 5 & 12 July 2022 (two half days)
- 22 & 29 September 2022 (two half days)

**To book a place please contact**

**HR Direct, Norfolk County Council**

**01603 222212**

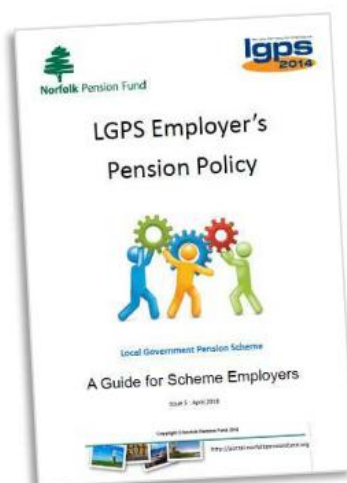
**[HRdirect@norfolk.gov.uk](mailto:HRdirect@norfolk.gov.uk)**

## 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.

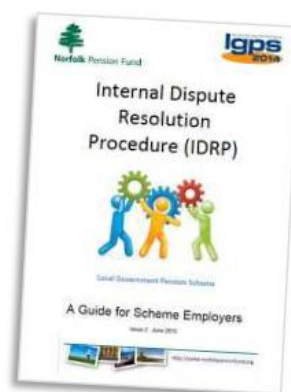
For more information, please see the [Employer Pensions Policy Guide \(G060\)](#) available on the Employers section of our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) under 'Forms and documents/Guides'.



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 IDRP Guide \(G070\)](#) which can be found on the Employers section of our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) under 'Forms and documents/Guides'.

There is also the [Scheme Member Guide to Disputes \(G071\)](#) available at [www.norfolkpensionfund.org/help/compliments-complaints-and-disputes/](http://www.norfolkpensionfund.org/help/compliments-complaints-and-disputes/)



## Contact Details

**(Postal address only)**

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

**Pensions Administration**  
**pensions@norfolk.gov.uk**  
**01603 495923**

**Investment, Accountancy and Actuarial Services**  
**pensions.finance@norfolk.gov.uk**  
**01603 222139**

**Online, Technical and i-Connect Queries**  
**pensions.technical@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 Audit Services (NAS)

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### **Norfolk Pension Fund Annual Internal Audit Report 2021-22**

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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	Data Analytics
8	Engaging Specialists
9	Annual Governance Statement
10	Responsibilities in relation to fraud
11	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 four 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. One audit was postponed and a replacement topic was agreed. This work is considered enough to support our annual opinion. The internal audit service continued to deliver effective internal audit work remotely.
- 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 document for 2020-21 is published alongside 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, 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 2021-22 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 2021-22 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 2020-21
  - 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 2021-22 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 2022
  - 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 2020-21. [See Page 44 - Audit Committee July 2021.](#)

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 2021 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.

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

<b>Audits for 2021/22</b>	<b>Final report issued</b>
Governance controls and decision making during the pandemic	✓
High level review on the progress made with the agreed actions resulting from the Hymans Robertson Future Proofing Review Feb 2019	Management letter issued May 2022
Receivables	✓
Private Equity, Infrastructure and Private Debt	✓

Mortality screening processes	✓

- 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 80 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 In addition to performing audits, a presentation about the audit process was delivered to the Pension Oversight Board in September 2021.
- 4.8 The following audits are included in the 2022-23 audit plan:
- Pension Fund Governance and National LGPS Framework – Assurance the new structure is working effectively and as expected to reduce the risks associated with staff shortages and resilience.
  - Payables – regular payroll benefit payments, lump sums, death in service.
  - 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.
  - New custodian relationship with Northern Trust – Assurance that key controls and adequate processes are in place.

## **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 2021-22 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 Internal Audit's mission is to enhance and protect organisational value by following Public Sector Internal Audit Standards (PSIAS). CIPFA Services were commissioned to undertake an external quality assessment in early 2017. An

independent external quality assessment of how the Public Sector Internal Audit Standards (PSIAS) are being met by us is required every five years and our next review is due summer/autumn 2022. Self-review against the PSIAS is ongoing in the meantime, and the results are reported to Audit Committee in our Annual Report.

- 5.4 The Pension Fund's system of internal audit during 2021-22 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 2022.

## **7. Data Analytics**

- 7.1 Data Analytics is a useful tool for performance management, decision making and auditing. Such analysis enables information to be drawn from large or whole populations of system data providing improved and deeper assurance. The Council uses Power BI to undertake data analytics to support performance management.
- 7.2 We have taken a data analytics briefing note for Executive Leadership Team outlining our proposals to strengthen our use of data analytics within our audit work. We continue to look at the option to extend our audit system, Teammate+ to include a data analytics option and a demonstration of this has taken place.
- 7.3 We have updated our audit terms of reference and the way we plan our audits to ensure that each audit topic is considered at the planning stage as to how data analytics may be applied within the audit and the audit team have been trained in respect of this.
- 7.4 We are also discussing with management the data analytic options that come with the new finance and HR system, how these will be used and our access to all data on this system. Further updates on this area will be provided each quarter.

## **8. Engaging Specialists**

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

## **9. Annual Governance Statements**

- 9.1 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 2021-22.
- 9.2 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, until these were revoked. Staff work remotely where they are able to do so.

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

- 10.1 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.
- 10.2 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.
- 10.3 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).
- 10.4 Any 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.
- 10.5 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.
- 10.6 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.

- 10.7 NPF staff have used the E-learning training course hub to carry out the 'Fraud Awareness' and the 'Fraud Prevention and Detection' courses.
- 10.8 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.
- 10.9 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.
- 10.10 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.

## **11. Acknowledgement**

- 11.1 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 another challenging year.

Adrian Thompson  
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**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.**



## Officer Representation on behalf of the Pension Fund

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

**GC:** Glenn Cossey, **AY:** Alex Younger, **JQ:** Jo Quarterman, **MA:** Mark Alexander, **EW:** Eunice Walcott, **DK:** Debra Keeling, **LT:** Leon Thorpe **MT:** Management Team

### ACCESS regular meetings

AY / GC attend Officer Working Group (fortnightly)

AY attend Investment User Group (monthly)

AY attend Non-Listed Sub-Group (monthly)

AY attend Active Listed Sub-Group (monthly)

GC attend quarterly Joint Committee meetings

### Other regular meetings

MA/DK attend SECSOG (monthly)

### Investment / Fund Managers

Monthly updates with GC/AY

### National LGPS Frameworks

The National Frameworks team have held meetings with Funds, Pools and Service providers

### Regular Webinars

LGPS Live Webinar Series

### Other meetings and events

Date	What	Who
<b>March</b>		
9 / 10	PLSA Conference virtual attendance	GC
10	Equitix – Update and Site Visits	AY
11	Aviva Infrastructure Income Fund – Investor Update	AY
11	Capital International – Quarterly Update	AY/GC
16	Stafford Timber Portfolio Review	AY/GC
22	Heywoods Insight User Group	MA
<b>April</b>		
4	Berenberg/HSBC Implementation Review	AY/RM
7	POB Induction – Sally Albrow	GC/JQ
7	HRMC Managing Pension Schemes Workshop	MA
27	ACCESS ESG/RI Workshop	GC/JQ/AY
27	Mondrian – portfolio review meeting	AY/GC
28	HarbourVest – portfolio & commitment review meeting	AY
<b>May</b>		
4	MSS (Member Self Service) User Group	MA
5	CIPFA Valuation Seminar	AY + various
9	POB Induction – Jonathan Dunning	GC/JQ
13	LINK Investor Day	GC
16	NCC Leadership Conference	GC/AY/JQ
18	ACCESS s151 Officer Meeting	GC
18	CIPFA LGPS Conference	GC/JQ/EW
20	Janus Henderson MAC Update	AY



<b>Date</b>	<b>What</b>	<b>Who</b>
24	POB Meeting	GC/JQ
25	Go Awards – Frameworks team nomination	JQ/JF/JW
<b>June</b>		
6	ACCESS Joint Committee	GC/AY
8	Hymans Governance, Admin & Projects	JQ
13 - 15	PLSA LA Conference	JQ (speaker)/AY (speaker)/EW/LT

CIPFA – Chartered Institute of Public Finance and Accountancy	LAPF – Local Authority Pension Fund
LGA – Local Government Association	LGC – Local Government Chronicle
LGPS – Local Government Pension Scheme	PLSA - The Pensions and Lifetime Savings Association

## Pensions Committee forward programme – as at 21 June 2022

<b>Pensions Committee</b>	<b>Pensions Committee</b>	<b>Pensions Committee</b>	<b>Pensions Committee</b>	<b>Committee Training</b>
<b>27<sup>th</sup> September 2022</b>	<b>6<sup>th</sup> December 2022</b>	<b>21<sup>st</sup> March 2023</b>	<b>tbc</b>	
Administration Report	Administration Report	Administration Report	Administration Report	<ul style="list-style-type: none"> <li>• Risk Attitude/Boundaries</li> <li>• Valuation</li> <li>• TCFD</li> <li>• LGSP Pooling</li> <li>• LGPS Good Governance</li> <li>• tPR's Combine Code</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	
ACCESS Pooling Update	ACCESS Pooling Update	ACCESS Pooling Update	ACCESS Pooling Update	
Corporate Governance and Shareholder Engagement Report (including Carbon Reporting)	Risk Register Report and Compliance with Breaches Policy	Corporate Governance and Shareholder Engagement Report (including Carbon Reporting)	Risk Register Report and Compliance with Breaches Policy	
Investment Strategy Update	Investment Strategy Update	Investment Strategy Update	Investment Strategy Update	
2022 Triennial Valuation – Fund Level Results	2022 Triennial Valuation – Funding Strategy Statement	2022 Triennial Valuation – Final Valuation Report Sign-off		
Investment Managers: (tbc)	Investment Manager: (tbc)	Investment Managers: (tbc)		

# Pensions Committee

Item No: 7

<b>Report title:</b>	<b>Update from the Pensions Oversight Board</b>
<b>Date of meeting:</b>	<b>21 June 2022</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). The last update was given at the 1 March 2022 Committee Meeting.

## 2. Pensions Oversight Board meetings

- 2.1 The Board last met on the 24 May 2022. The agenda for this meeting is at Appendix A.
- 2.2 In addition to the regular strategic and operational oversight and updates, the Board received an update on the strategic review closure report and the 2022 triennial valuation plans and process, delivered by Rob Bilton, Hymans Robertson. The Board also considered the proposed arrangements for Local Pension Board observation of ACCESS joint Committee's.
- 2.3 The Board next meets on 6 September 2022.
- 2.4 The notes of the Board meeting of the 9 February 2022 are at Appendix B.

## 3. Board Membership

- 3.1 The Board is made up of three scheme member and three scheme employer representatives, together with an Independent Chair (who has no voting rights).
- 3.2 As previously reported to Pensions Committee Rachel Farmer (UNISON nominated Board member) stepped down from the Board and has been replaced by Jonathan Dunning.
- 3.3 This means that the Board has full membership.

## 4. Knowledge and Skills

- 4.1 Along with members of Pensions Committee and Fund Officers, Board members have access to the LGPS Online Learning Academy.
- 4.2 Induction training has been provided for all new Board members and POB are invited to attend training and webinars alongside Pensions Committee, in line with the Norfolk Pension Fund training strategy.

## 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. Risk Implications/Assessment**

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

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

- 7.1 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.

## **8. Data Protection Impact Assessments (DPIA)**

- 8.1 We have not identified any data protection implications for the content of this report.

## **9. Recommendation**

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

## **10. Background Papers**

- 10.1 Appendix A: POB Agenda 24 May 2022  
Appendix B: POB minutes 9 February 2022

### **Officer Contact**

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

**Officer name :** Glenn Cossey

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**Norfolk Pension Fund Pensions Oversight Board**

Date: **Wednesday 24 May 2022**

Time: **10:00am**

Venue: **Virtual Teams Meeting**

**Membership**

Chairman

Brian Wigg

Employer Representatives

Cllr Chris Walker	Poringland Parish Council
Sally Albrow	Norfolk County Council
Howard Nelson	DNEAT

Scheme Member representatives

Frances Crum	Active / Deferred member
Jonathan Dunning	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 9 February 2022.

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. Vice Chair

To consider the appointment of a Vice Chairman for the Pensions Oversight Board

6. Items of urgent business

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

7. Pensions Committee

Feedback from the virtual Pensions Committee meeting on 1 March 2022 and items to be raised at the 21 June 2022 meeting.

8. LGPS Reform

Update on latest reform

9. Norfolk Pension Fund operational update

An update on operational performance and issues, the latest CIPFA benchmarking data and an update on future service delivery.

10. Strategic Review update

To update the Board as the programme completes and outline next steps.

11. Hymans Robertson Valuation update

A presentation by Rob Bilton, Hymans Robertson, on progress with the 2022 triennial valuation plans and process.

12. ACCESS

To receive an update on ACCESS, including arrangements for Local Pension Board observation of Joint Committee meetings

13. Internal Audit reports

To receive the latest internal audit reports:

- Management Letter – progress against Strategic Review recommendations

14. Risk Management

To receive the risk update and heat map.

15. Knowledge, skills and training

16. Forward work programme for the Pensions Oversight Board

17. Date of next meeting: to confirm the dates of the next meetings

Contact for questions about this agenda: Jo Quarterman, Head of Governance, Norfolk Pension Fund [jo.quarterman@norfolk.gov.uk](mailto:jo.quarterman@norfolk.gov.uk) Tel.: 01603 223950 Date agenda published: 17 May 2022



## APPENDIX B

### **Minutes of the Norfolk Pension Fund Pensions Oversight Board meeting held on Wednesday 9 February 2022.**

#### **Present:**

##### **Chairman**

Brian Wigg

##### **Employer Representatives**

Howard Nelson

Cllr Chris Walker

DNEAT

Poringland Parish Council

##### **Scheme Member Representatives**

Frances Crum

Peter Baker

Active / Deferred member

Pensioner member

##### **Also Present**

Jo Quarterman

Glenn Cossey

Tim Shaw

Business Development and Project Manager, Norfolk Pension Fund

Director of the Norfolk Pension Fund Committee Clerk

#### **1. Welcome and Introduction**

**1.1** The Chairman welcomed Frances Crum (Active / Deferred member) to her first meeting of this “virtual” Teams meeting of the Pensions Oversight Board.

**1.2** The Chairman suggested that the appointment of a Vice-Chairman should be an item on the agenda for the next meeting of the Board.

#### **2 Apologies for Absence**

**2.1** Apologies for absence were received from Sally Albrow and Rachel Farmer.

**2.2** The Chairman said that Sally Albrow was the new Norfolk County Council employer representative who was unable to attend today's



meeting due to a prior appointment.

### **3. Minutes**

**3.1** The POB agreed the minutes of the meeting held on the 11 November 2021.

**3.2** It was noted from the minutes of the previous meeting that POB had asked for a new risk about smarter working and new ways of working to be added to the heat map, to show that the Norfolk Pension Fund was engaging successfully with scheme members and employers. This would be included when the heat map was next reported to Pensions Committee in March 2022.

### **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 Pensions Committee meeting on 7 December 2021 and items to be raised at the 1 March 2022 meeting.**

**6.1** The POB noted that today's meeting would be the subject of a report to the Pensions Committee on 1 March 2022.

**6.2** The Pensions Committee on 7 December 2021 had received two presentations (both containing exempt information). The first was by Hymans Robertson about preparations for the 2022 triennial valuation, which was a key risk management exercise for the Fund and the subject of a presentation to today's POB meeting. The second presentation to the Pensions Committee had provided a training overview on private equity and debt investments and a review on the private market portfolio managed by Harbourvest.

**6.3** The March 2022 meeting of the Pensions Committee would receive an update on the Norfolk Pension Fund administration and operational budget and include the budget for POB which was an item on today's agenda.

### **7 LGPS Reform**

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

**7.2** The presentation provided an update on the following regulatory reforms:

- £95k payment cap and reform - Consultation document

expected later this year.

- McCloud. - The final regulations were expected in Summer 2022 with guidance in Autumn/Winter 2022 and a remedy in Autumn 2023. The Norfolk Pension Fund was keeping scheme members and other stakeholders informed about developments. Mark Alexander was assisting Heywoods (the NPF software provider) in finding a software solution.
- TCFD, the next steps on pooling and banning of boycotts of foreign nations were all part of a “bumper consultation” planned for Summer 2022.
- The “bumper consultation” was also expected to cover issues arising from the Levelling up White Paper.
- Good Governance - with DLUHC
- TPR revised code - expected Summer
- Transfers
- Pensions Dashboard.

**7.3** The Chair pointed out that everyone within the LGPS was working together to find common solutions to issues that arose from the national reform programme.

## **8 Norfolk Pension Fund operational update (including ACCESS and future service delivery)**

**8.1** POB received an update on operational performance and issues, including latest performance data.

**8.2** POB noted the following with regard to the Key Performance Indicators (KPIs):

- In the early stages of the pandemic the Fund had to prioritise its activities which had negative implications for some KPIs.
- POB members asked for their thanks to be conveyed to Fund staff for the hard work they had put into ensuring that at this stage in the pandemic KPI figures were showing strongly improved delivery numbers, an indication of the resilience of Fund staff.

**8.3** The ACCESS update included:

- ACCESS- Last meeting of Joint Committee held on 6th December 2021 (agenda and papers previously circulated).
- Next Joint Committee on 7<sup>th</sup> March 2022
- Agenda being finalised but likely to include:
  - ASU budget—details in the Access agenda papers.
  - Latest draft of RI guidelines—these were circulated to POB members following a workshop.
  - Progress on illiquid assets-these were more challenging to pool than liquid assets

- Observer status on JC—Access had drafted a policy to consider at their next meeting, Norfolk would continue to support observer status.
- Operator procurement/Acquisition of Link Group-The Link Group was subject to a takeover by a service provider which could have implications to be considered at a future meeting.

**8.4** The update on Service Delivery and ‘Smarter Working’ post pandemic included:

- An outline of the work done since the report to the Pensions Committee in October 2021 and a brief update in December 2021.
- The work going forward included:
  - An increased focus on engagement and communication with the Fund’s stakeholders-customers, NPF teams and individuals.
  - An evaluation of the data collected from stakeholders to be reported to Pensions Committee in March 2022 to identify future options for service delivery and budget implications.
  - As a management team, thinking about service delivery improvement opportunities.

**8.5** In reply to questions, it was noted that the options/ timetable for a possible relocation of the NPF to new premises would form part of a report / overall action plan for future service delivery, to be taken to Pensions Committee in March 2022 and then reported to the Board. The relocation options would take account of dilapidation and other exist costs, should the Committee decide to move to new premises.

**9 Strategic Review Update**

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

**9.2** The presentation to POB provided an update on the following strategic review workstreams:

- Employer Services—business case was shared with corporate HR at end of 2021 and they were assisting on job grading with staff consultation due in April 2022
- I-Connect and Member Self Service
- Governance.
- People, Development and Career Paths
- Management Team Structure.
- Strategic Engagement and Delivery-subject to the roll out of the new Oracle system operating across the work of the County Council.

- 9.3** It was noted that the Strategic Review Programme would end in March 2022, with work on any outstanding individual workstreams continuing as part of the usual service planning process. A closure report would be presented to the Pensions Committee in June 2022.

## **10 Valuation Overview**

- 10.1** The POB received a presentation by Rob Bilton of Hymans Robertson about preparations for the 2022 triennial valuation, which was a key risk management exercise for the Fund.

- 10.2** Rob Bilton explained the following reasons why there was a valuation:
- Calculate employer contribution rates
  - Compliance with legislation
  - Analyse actual experience vs assumptions
  - Review Funding Strategy Statement
  - Part of continual 'health check' on fund solvency

- 10.3** The outlook for 2022 was currently showing:
- Very strong asset returns.
  - An improvement in past service funding positions.
  - Past service was only a small part of the long-term objective
  - Increase in risk of upward pressure on inflation (benefit increases)
  - The net impact on contribution rates would vary by employer.

- 10.4** Areas to explore in 2022:
- Did there need to be a change in funding and investment strategy?
  - Were any changes needed to the investment strategy an employer group participated in?
  - Did the current risk management framework need any changes?
  - COVID-19: Immediate impact on mortality- Excess deaths were expected to have relatively small impact (<1%) on liabilities
  - Detailed week-by-week plan in place to smoothly delivery of the valuation
  - Future investment return expectations
  - The impact of climate change on funding strategy

- 10.5** In response to questions, it was noted that the engagement process with major employers would start in March 2022 and a detailed timetable was in place for the valuation to be completed by March 2023. Parish Councils would be involved in the full engagement process with all employers that took place in the Autumn. Academies were more exposed to increased costs from future benefit payments than were Councils and other established employers that had accrued longer-term returns.

## **11 Internal Audit Reports**

- 11.1** POB was informed that the latest published internal audit report by Norfolk Audit Services (circulated with the agenda) covered Receivables –contributions (AVC's, APC's) and Transfer Values.
- 11.2** The Panel noted the report and that the issues contained therein would be monitored on a quarterly basis.

## **12 Risk Management**

- 12.1** POB received the latest risk update and heat map that showed high risk movement in terms of governance, funding and investment and benefits administration. The heat map excluded the new risk from the previous POB meeting about smarter working and new ways of working which would be added to the heat map when it was next presented to the Pensions Committee.
- 12.2** The risk register was continually updated and reported regularly to POB and Pensions Committee. The latest heat map showed some downward movement in four high- risk areas that arose from the completion of tasks within the strategic review and a new staffing structure being put in place.

## **13 Pensions Oversight Board Budget**

- 13.1** It was noted that the POB budget would be included in the full operational budget for the Norfolk Pension Fund when it was presented to the Pensions Committee in March 2022.
- 13.2** The POB budget took account of:
- Recruitment and Establishment of new members
  - Initial and Ongoing Training
  - Member Allowances and Costs
  - Secretariat
  - Advice and Guidance
- 13.3** The latest position regarding the POB budget was noted.

## **14 Knowledge, Skills and Training**

- 14.1** POB received an update on:
- ESG workshop (well received by POB members)  
LGPS Online Learning Academy (LOLA) developed by Hymans
  - Webinars
  - Conferences

- Newsletters

**14.2** In reply to questions, it was noted that Pensions Committee would be asked on 1<sup>st</sup> March 2022 to agree to the publication of a statement on its Environmental, Social and Governance (ESG) Investment Strategy. Useful information on this subject could be found on the NPF website and the statement would be added. The statement would appear in the employer newsletter and employers encouraged to share it with their employees.

## **15 Forward Work Programme for the Pensions Oversight Board**

**15.1** The following issues taken from the 2021 work programme would continue in 2022:

- Pensions Admin Software -implications for scheme members and employers
- New Employer Services team
- Cybersecurity—this remained a very important issue for POB members
- Smarter Working

**15.2** The following issues would be added for 2022:

- Website demo
- Valuation planning overview
- Overview of budget setting process

## **16 Future Meeting dates**

**16.1** 24<sup>th</sup> May 2022  
6<sup>th</sup> Sept 2022  
8<sup>th</sup> November 2022  
28<sup>th</sup> Feb 2023

**Chair**

# Pensions Committee

Item No. 8

<b>Report title:</b>	<b>NPF Strategic Review Programme: Closure Report</b>
<b>Date of meeting:</b>	<b>21 June 2022</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> As previously signalled to Pensions Committee, the Norfolk Pension Fund's Strategic Review Programme was formally closed on the 31 March 2022. This report presents the key outcomes delivered against the original review recommendations and records the assignment of outstanding tasks to business-as-usual activities. <b>Recommendations</b> Pensions Committee is invited to note the contents of this report.	

## 1. Background

- 1.1 A programme of work was established to deliver the recommendations set out in the Strategic Review of the Norfolk Pension Fund prepared by Hymans Robertson and accepted by Pensions Committee in February 2019.
- 1.2 The Strategic Review focused on addressing key areas of risk including:
  - increased activity and workload across all areas of the Fund
  - the volume and complexity of work undertaken in relation to scheme employers
  - increasing focus on engagement and communication with the Fund's stakeholders
  - greater scrutiny placed on Fund governance from an increasingly active Pensions Regulator and government departments.
- 1.3 As a result of the COVID pandemic, it was necessary to re-prioritise some of the programme deliverables and revise target completion dates. Where more appropriate and efficient, some deliverables were managed and delivered outside the programme framework. Revisions to the programme have been noted by Pensions Committee. Quarterly status reports have updated Committee on progress to date.
- 1.4 Hymans Robertson have provided programme / project management support to assist in the delivery of key aspects of the overall programme of works. As previously reported to Pensions Committee, the programme was formally closed on the 31 March 2022.

## 2. Strategic Review Programme Closure Report

- 2.1 In April and May 2022, a full closure process was undertaken, including individual meetings with each project lead and the Pension Fund Management Team. This gave the opportunity for a full discussion on the progress of the project deliverables and agreement on what will be assigned to business-as-usual.
- 2.2 The Programme Closure Report is attached at Appendix A and details the output from the closure meetings.

- 2.3 The Closure Report is the final programme document providing a full and objective assessment of the Strategic Review Programme delivery. To formally close the programme the report documents:
- A review of progress against meeting the recommendations from the original Strategic Review.
  - Confirms work in progress/outstanding tasks assigned to business-as-usual.
  - Highlights lessons learned and best practice for future projects.
- 2.4 Project leads have been assigned and specific target completion dates have been agreed for those project deliverables still to be completed. There is a strong desire and commitment from the Management Team to complete all remaining tasks as soon as possible, an overall deadline date of 31 March 2023 has been agreed.
- 2.5 Lessons learned from the Programme will help inform future projects.
- 3. Financial and Other Resource Implications**
- 3.1 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.
- 4. Other Implications (inc. Equality Impact Assessment (EqIA))**
- 4.1 Officers have considered all the implications which members should be aware of. Apart from those listed (if any), there are no other implications to consider. There are no issues relevant to equality in this report.
- 5. Data Protection Impact Assessments (DPIA)**
- 5.1 We have not identified any data protection implications for the content of this report.
- 6. Risk Implications/Assessment**
- 6.1 Any risk implications relating to this report will be recorded on the Fund's risk register.
- 7. Recommendation**
- 7.1 Pensions Committee is invited to note the contents of this report.
- 8. Background Papers**
- 8.1 Appendix A: Strategic Review Programme Closure Report (May 2022)

### **Officer Contact**

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

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





# Norfolk Pension Fund

Strategic Review Programme Closure Report  
May 2022

Kate Dickson  
Senior Project Consultant  
For and on behalf of Hymans Robertson LLP



# Contents

## Norfolk Pension Fund: Strategic Review Programme Closure Report

## Page

1	Executive Summary	3
2	Background	4
3	Programme governance, structure and control	5
4	Review of progress against Strategic Review recommendations	8
5	Key Lessons Learned	19



## 1 Executive Summary

In late 2018, Hymans Robertson conducted a Strategic Review (originally referred to as the 'Governance Review') of the Norfolk Pension Fund ('NPF'). Several recommendations were made as a result of the review to reduce some of the high-risk areas identified and establish a secure basis for the administration of the scheme. Detailed planning took place through the summer and autumn of 2019 and a series of projects were defined that would make up the Strategic Review Programme. Each of the Strategic Review recommendations were 'allocated' to one or more projects, with the objective that the recommendations would be met by the completion of the key deliverables within each project.

The Programme ran from February 2019 to March 2022. In April and May 2022, a full closure process was undertaken, including individual meetings with each Project Lead and the full Management Team. This gave the opportunity for full discussion on the progress of project deliverables and what will be moved into BAU; the areas of the Programme and individual projects that went well, the areas that didn't go as well as hoped and subsequently, what could be done differently if the Fund embarked on similar projects in the future.

This report details the output from these meetings, including the key actions delivered against each recommendation made and then the remaining actions left to complete, where applicable. Finally, the key 'lessons learned' from the Programme are summarised which should be of use to future projects.

## 2 Background

In late 2018, Hymans Robertson conducted a Strategic Review (originally referred to as the 'Governance Review') of the Norfolk Pension Fund ('NPF'). Several recommendations were made as a result of the review to reduce some of the high-risk areas identified and establish a secure basis for the administration of the scheme. Pensions Committee accepted all the recommendations of the report and agreed in February 2019 to combine the delivery of the recommendations into one programme, the 'Strategic Review Programme'. Detailed planning with the Management Team and Hymans Robertson took place through the summer and autumn of 2019 and a series of projects were defined that would make up the Strategic Review Programme. In Q2 2020, an additional workstream was added which was the procurement replacement contracts for pensions administration software. Each of the Strategic Review recommendations were 'allocated' to one or more projects, with the objective that the recommendations would be met by the completion of the key deliverables within each project.

Target dates for completion of deliverables within each project were set at the outset but were subsequently revised on two separate occasions due to the impact of COVID 19 on working practices and resourcing. More detail on this is in section 3. In addition, some of the original projects were de-scoped from the programme due to work being done at the Norfolk County Council (NCC) level, which meant the Fund would fall in line with these outcomes and there was no requirement for separate projects.

Project names and leads are shown below:

Project name	Project Lead
Management Team Structure	Glenn Cossey
Clear and Comprehensive Governance model	Jo Quarterman
Employer services function	Alex Younger
Administration	Debra Keeling
People Development & Career Paths	Glenn Cossey <sup>1</sup>
Strategic Engagement & Delivery	Glenn Cossey and Jo Quarterman
Pension Administration Software	Mark Alexander <sup>2</sup>

<sup>1</sup> This project was de-scoped from the Strategic Review Programme, due to activity led by Norfolk County Council which would deliver on the original project objectives

<sup>2</sup> In Q2 2020, an additional workstream was added in anticipation of the conclusion of existing contracts



## 3 Programme governance, structure and control

### 3.1 Programme and individual project set up

Following the initial planning workshops in Summer & Autumn 2019, a high-level Strategic Review Programme plan was created, detailing individual projects and key deliverable dates.

From this, kick off meetings were held with each Project Lead and documents were created for each individual project :

- Project Initiation Document (PID) to set out the key objectives, roles & responsibilities and more detail on each deliverable
- Detailed project plans with specific tasks, dates and owners
- Risk, Actions, Issues & Decisions (RAID) log

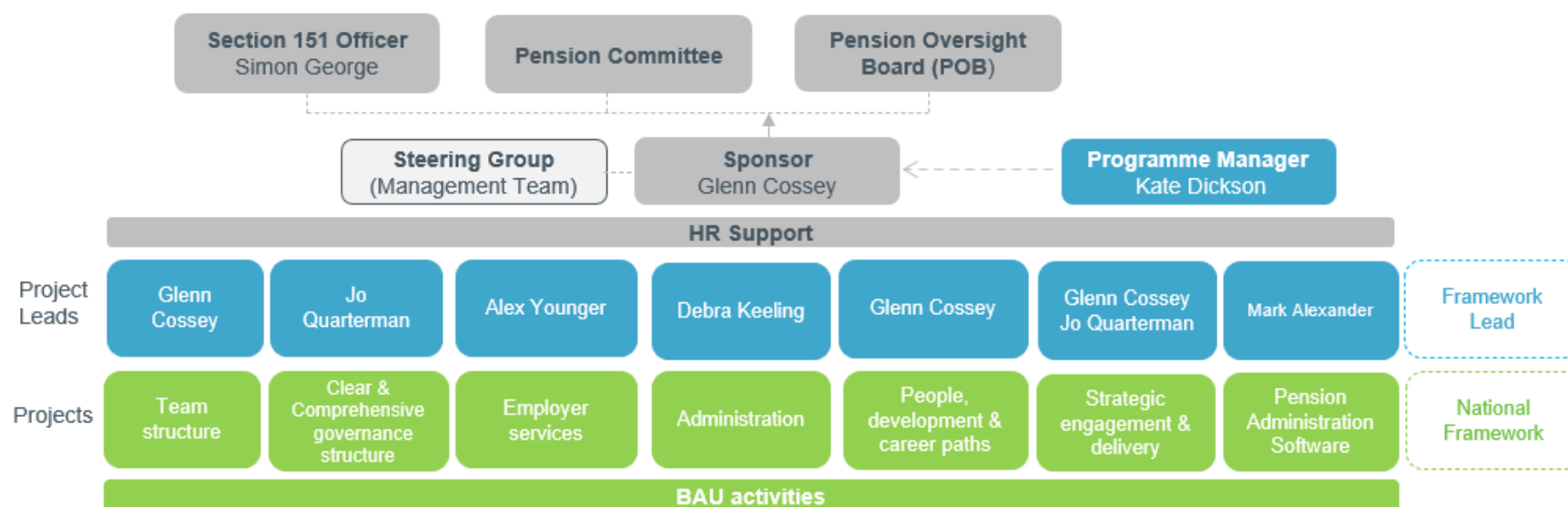
These documents were then used as the basis for on-going project implementation and monitoring.

### 3.2 Governance structure, monitoring and reporting

The governance structure, including all project control documents and regular monitoring and reporting processes, is shown in the graphic below.

## Norfolk Pension Fund: Strategic Review Programme Structure

# Stakeholder Engagement, Governance & Communication



### Control documents

- Deliverables document/Programme PID
- Individual Project PIDs
- Detailed programme plan
- RAID logs
- Individual project & Programme highlight reports

### Communication Plan

#### Bi-Weekly

- Individual project team meetings (PM & Project Leads)

#### Monthly

- Programme/Project Highlight Reports
- Steering Group Meeting

#### As required

- Committee & Board Packs to include Programme highlight report
- Issue resolution meetings
- Decision meetings

HYMANS ROBERTSON



### 3.3 Change control, re-prioritisation and MOSCOW analysis

During the Strategic Review Programme, there were two points at which the deliverables and dates were reviewed. This was due to a number of factors, including the impact of the COVID pandemic and the move to home working and resourcing constraints. The first of these occurred in September 2020, where a Must, Should, Could, Would (MOSCOW) tool was used to re-prioritise projects and allow resources to be focussed on the most important deliverables and then again in January 2021, where deliverable dates across all projects were reviewed and updated where necessary. In addition, some projects were de-scoped from the programme – for example, the ‘People, Development and Career Paths’ project was de-scoped as it was confirmed that the deliverables would be delivered as part of the work HR were doing on job families and career paths. The revised dates, projects and deliverables were subsequently signed off by Committee.

It was agreed with the Pensions Committee that the Strategic Review Programme would formally close by 31 March 2022. Any project deliverables to support the delivery of the Strategic Review recommendations not completed by this time would be delivered under ‘BAU’ but still with specific deadline dates and the same focus from the original Project Leads. There is still a strong desire and commitment from the Management Team to complete all of these tasks and a deadline date of 31 March 2023 has been agreed. These are detailed in the table in section 4, along with the Project Lead responsible for delivery. Project support will still be provided to those Project Leads where this is necessary to ensure all deliverables are completed.

## 4 Review of progress against Strategic Review recommendations

The original recommendations from the Strategic Review are laid out in the table below, along with key achievements in meeting these, work passed into 'BAU' that is still to be completed to deliver the recommendations fully and the individual(s) responsible for delivering this work. (GC – Glenn Cossey; AY – Alex Younger; JQ – Jo Quarterman; MA – Mark Alexander; DK – Debra Keeling)

Recommendation	Delivered	Next steps under BAU	Responsible individual
<b>Recommendation 1:</b> A separate employer team be established, covering all aspects of employer services, such as admissions agreements, ongoing queries and returns. This team to have responsibility for end-to-end employer service, from the moment of joining, ongoing monitoring, valuation negotiations and contribution payments.	<ul style="list-style-type: none"> <li>Employer services workshop held with all staff, focussing on the 'to be' position for this team; objectives for the team agreed</li> <li>Full data gather and analysis on employer services work carried out by the Fund</li> <li>Six process workshops undertaken, focussing on the key employer services work identified in the data gather, resulting in a number of recommendations (the employer services 'road map')</li> <li>Employer services team structure and accompanying business case (laying out new roles and amendments to existing roles) agreed by Management Team</li> <li>Job descriptions for new roles completed</li> <li>Initial discussions with Human Resources on the next steps in</li> </ul>	<ul style="list-style-type: none"> <li>Planning on the next stages of the implementation of the employer services team (including the consultation process and recruitment / transition to new structure); subsequent actions undertaken</li> <li>Delivery of 'road map' recommendations to be planned and implemented – this is likely to fall to the new Employer Services Manager</li> </ul>	AY



	implementing the new team have been discussed		
<p><b>Recommendation 2:</b> Ensure sufficient technical support is provided to the new employer team to ensure all employer interfacing is as efficient as possible, making maximum use of latest technology. The benefits of technology are two-way, and employers should also make the most of this to ensure maximum efficiency on both sides. A Technical User Group may play a key role in this with systems that support the team at the NPF also being important.</p>	<ul style="list-style-type: none"> <li>• Employer services workshop held with all staff, focussing on the 'to be' position for this team; objectives for the team agreed</li> <li>• Full data gather and analysis on employer services work carried out by the Fund</li> <li>• Six process workshops undertaken, focussing on the key employer services work identified in the data gather, resulting in a number of recommendations (the employer services 'road map' – this includes the interaction between the technical teams &amp; employer services team)</li> <li>• Full procurement process undertaken for the internal administration system, member online services and employer online services</li> <li>• iConnect has been implemented, allowing employers to make maximum use of available technology. This has streamlined the monthly contribution process and data uploads – further iConnect development are expected</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery of 'road map' recommendations to be planned and implemented – this is likely to fall to the new Employer Services Manager</li> </ul>	AY

	which should result in further benefits to both employers and the Fund		
<b>Recommendation 3:</b> Based on the employers' experience of other funds, the NPF should review their own practices in the areas of employer experience and satisfaction for any lessons that can be learned.	<ul style="list-style-type: none"> <li>• Employer services workshop held with all staff, focussing on the 'to be' position for this team; objectives for the team agreed</li> <li>• Full data gather and analysis on employer services work carried out by the Fund</li> <li>• Six process workshops undertaken, focussing on the key employer services work identified in the data gather, resulting in a number of recommendations (the employer services 'road map')</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery of 'road map' recommendations to be planned and implemented – this is likely to fall to the new Employer Services Manager</li> </ul>	AY
<b>Recommendation 4:</b> Findings of this review to be communicated back to the POB for discussion	<ul style="list-style-type: none"> <li>• Findings fed back to POB meeting in December 2019 and further updates at each meeting.</li> </ul>	N/A	
<b>Recommendation 5:</b> Consideration should be given to the Fund's current training plan, updating it where required. As part of this the Fund should ensure any training appropriately reflects the work schedule or priorities of the Fund at that time	<ul style="list-style-type: none"> <li>• The Fund training strategy has been agreed</li> <li>• Training Needs Analysis (TNA) has been carried out to identify key training topics, including regulatory projects and change.</li> <li>• On-going training programme maintained and delivered using a mixture of training methods to maximise engagement with Committee &amp; Board members,</li> </ul>	<ul style="list-style-type: none"> <li>• Consideration of on-going Training Needs Analysis (TNA) (or equivalent) process</li> </ul>	JQ

	<p>including in person events (where possible / appropriate), webinars and access to the LGPS Online Learning Academy (LOLA)</p> <ul style="list-style-type: none"> <li>• Access to library of recorded training</li> <li>• Training records maintained on LOLA</li> </ul>		
<b>Recommendation 6:</b> Review the reciprocal chairing arrangement with the Essex PF and consider a new Chairing arrangement appropriate to the current circumstances for the Pensions Oversight Board.	<ul style="list-style-type: none"> <li>• An Independent Chair, Brian Wigg, was appointed to the Pensions Oversight Board in February 2020</li> </ul>	N/A	
<b>Recommendation 7:</b> The successor to the current Head of the NPF needs to enable the team to retain an appropriate degree of independence from the administering authority. The successor to the current Head of the NPF needs to be minded towards leadership with integrity that is firmly focused on the long-term health of the NPF. A transitional handover may help to maintain the current culture and style of leadership going forward.	<ul style="list-style-type: none"> <li>• Glenn Cossey appointed as Director of Pensions and has the right skills and experience levels, given his previous role within the Norfolk Pension Fund.</li> </ul>	N/A	
<b>Recommendation 8:</b> Retain an appropriate degree of independence and identity particularly in the light of the SAB's LGPS Good Governance Project, whilst providing value for	<ul style="list-style-type: none"> <li>• Ministerial review of the good governance recommendations is still on-going, but the Fund has taken the expected</li> </ul>	<ul style="list-style-type: none"> <li>• An audit of compliance with statutory guidance based on the good governance recommendations to be undertaken once available; any</li> </ul>	JQ

<p>money for the stakeholder and ultimately the tax payer; ensure that the Fund is able to meet the needs of all scheme members and employers efficiently and effectively by retaining the benefits of accessible colocation with facilities that meet the specific needs of the service and its users.</p>	<p>recommendations into account in all governance activities.</p> <ul style="list-style-type: none"> <li>Pensions Committee agreed a new service delivery model in March 2022</li> </ul>	<p>action identified to be agreed &amp; implemented</p> <ul style="list-style-type: none"> <li>transition to the new service delivery model to be developed, completed and monitored to ensure that it delivers the intended benefits for scheme member, employers and the Norfolk Pension Fund</li> </ul>	
<p><b>Recommendation 9:</b> The NPF should continue to influence national debate and to collaborate on an ongoing basis with wider projects, to ensure it has a voice in ongoing change within the LGPS.</p>	<ul style="list-style-type: none"> <li>This is a BAU activity and will continue as such.</li> </ul>	<p>N/A</p>	
<p><b>Recommendation 10:</b> Create a new internal post, 'Head of Governance, Compliance, Communication and Engagement' to bring together governance, compliance and communications. Governance covers not only support to the Committee and Pension Board but also issues pertaining to the internal governance of staffing arrangements, people matters and ensuring that there is compliance with regulatory requirements. The role should also provide a project support element, providing successful delivery of key projects, and oversight of the Fund's performance management.</p>	<ul style="list-style-type: none"> <li>A new post, Head of Governance and Director of the National LGPS Frameworks has been established and recruited to, which supersedes the original recommendation.</li> <li>Re-structure of the Governance &amp; Framework teams has taken place (including a full consultation and recruitment process)</li> <li>This brought together all of the identified areas in the recommendation into a co-ordinated unit. All of the recommended responsibilities of</li> </ul>	<ul style="list-style-type: none"> <li>Review of NPF mission &amp; beliefs and refreshed service plan</li> <li>Completion and maintenance of Governance manual and compliance framework</li> <li>Adding value by embedding the governance and oversight into BAU operational delivery</li> <li>Recruitment of remaining role (Policy &amp; Projects Officer) in the Governance Team</li> <li>Development of high level 'workplan' and oversight and timescale covered (i.e. 3–5-year planning)</li> </ul>	<p>JQ</p>

	<p>the post and team are met in this new structure.</p> <ul style="list-style-type: none"> <li>• Governance manual contents defined and agreed – the manual includes all documents (including policies and strategies) that support the Fund in meeting its statutory requirements. An annual assurance checklist containing key tasks is also included in the manual to ensure regular review &amp; updates of all documents.</li> <li>• Service Plan completed for 21/22 with subsequent communication to all staff</li> </ul>	<ul style="list-style-type: none"> <li>• Review of Pensions Oversight Board &amp; S101 Committee arrangements in light of final Good Governance recommendations and statutory guidance</li> </ul>	
<p><b>Recommendation 11:</b> Review the membership of the Management Team and agree within the Team revised business processes for effectively managing meetings, recording decisions, allocating time and resource requirements and reviewing delivery of agreed actions.</p>	<ul style="list-style-type: none"> <li>• A review of the structure has taken place in light of changes to roles and personnel and a new structure is in place (membership of the Management Team has also been ‘tested’ with discussions over the inclusion of the new Employer Services Manager)</li> <li>• Business processes have been reviewed alongside the new structure – this included management meeting frequency, objectives and recording actions and decisions</li> </ul>	<ul style="list-style-type: none"> <li>• Identify and implement a management effectiveness framework to measure strengths and development areas of the Senior Management Team and create a plan of action; integrate the review into BAU</li> </ul>	GC


	<ul style="list-style-type: none"> <li>Changes have been made in light of the review, for example minutes of meetings are provided so an audit trail is maintained of all key decisions and actions</li> </ul>		
<b>Recommendation 12:</b> Bi-annual office-wide briefings should continue and should be presented by representatives from each area of the Fund; trial cross-team buddying to increase inter-mingling of teams; consider team building exercises at future team events.	<ul style="list-style-type: none"> <li>A programme of full staff team meetings had started but these were stopped in person due to the pandemic.</li> <li>During lockdown, virtual team events were held and this included sharing the service plan</li> </ul>	<ul style="list-style-type: none"> <li>Future staff communications plan to be agreed, this will include team building and cross-team activities; these will reflect the impact of hybrid working on teams and cross team working</li> </ul>	JQ
<b>Recommendation 13:</b> Revisit working policies to ensure consistency between teams; review part-time posts and distribution of part-time members across team; revisit homeworking policy to give staff clarity.	<ul style="list-style-type: none"> <li>Working policies have been reviewed and communicated to staff in the Autumn 2018 newsletter.</li> <li>All teams contributed to the 'Smarter Working' consultations</li> <li>All Norfolk Pension Fund staff worked from home during the pandemic, and we are not shifting to a hybrid model across the Norfolk Pension Fund.</li> </ul>	<ul style="list-style-type: none"> <li>New ways of working are still being developed and established, taking into account the agreed new service delivery model for the Norfolk Pension Fund, smarter working opportunities and policy alongside operational requirements</li> </ul>	JQ
<b>Recommendation 14:</b> The Management Team to review personal and team development policies to give clarity over career paths and mentoring; ensure exam success is linked to increased responsibilities and development; induction plan to be	<ul style="list-style-type: none"> <li>The new Norfolk County Council – led career path and job family structure were used for the Governance and Framework team</li> </ul>	<ul style="list-style-type: none"> <li>Employer Services Team will utilise the career path and job family structure</li> </ul>	AY

revisited and expanded. Additional focus will be required on recruitment given the challenges facing the LGPS in this area and the maturing workforce.	<ul style="list-style-type: none"> <li>Requirements of candidates applying to administration roles have been changed and this has resulted in a wider candidate pool and uptake of role offers</li> </ul>		
<b>Recommendation 15:</b> Consider a special project to tackle the administration task-list back-logs; trial an employee focus group with representatives from each area of the Fund to encourage staff to put forward suggestions and cross-team networking	<ul style="list-style-type: none"> <li>Plan of action to clear backlogs was put in place and was successful in reducing these to manageable levels. All Work In Progress / backlogs now managed within BAU practices.</li> <li>Employee workshops have taken place, where staff can identify and discuss work issues and help identify - e.g. simplifying forms etc.</li> </ul>	<ul style="list-style-type: none"> <li>Recruitment of remaining administration roles (Team Member level)</li> <li>Consideration of optimal structure for the Administration function to ensure best practice and 'fit for the future' delivery to Fund members</li> <li>Cross team focus groups will be supported by the Management Team to help identify and resolve issues, and support the development of knowledge and skills and service improvements</li> </ul>	DK, GC
<b>Recommendation 16:</b> A comprehensive list of process owners to be identified and maintained. There should be clarity around responsibilities concerning updating, reviewing, implementing and training around new processes	<ul style="list-style-type: none"> <li>All administration processes have been documented.</li> </ul>	<ul style="list-style-type: none"> <li>Draft and implement a process change protocol</li> </ul>	DK
<b>Recommendation 17:</b> The National LGPS Frameworks should consider its chairing arrangements, including a possible interim arrangement,	<ul style="list-style-type: none"> <li>Glenn Cossey, Director of the Norfolk Pension Fund, has been confirmed as Chair of the</li> </ul>	N/A	

following the retirement of the Head of the Norfolk Pension Fund.	National Frameworks Committee.		
<p><b>Recommendation 18:</b> The Norfolk Pension Fund should consider restructuring in order to continue delivering its statutory duties and a high level of service to employers and scheme members, in the context of a changing LGPS. In particular, consideration should be given to;</p> <ul style="list-style-type: none"> <li>• Bringing all employer relating functions together into a single team</li> <li>• Consolidating governance, compliance and communications together into a single team</li> <li>• Ensuring that at all levels of the structure there is sufficient resource to ensure that all functions can be delivered appropriately.</li> <li>• Ensuring that roles within the structure are evaluated and that terms and conditions accurately reflect the requirements of the role.</li> <li>• The use of market supplements and other recruitment and retention tools, where there is a clear case that doing so would</li> </ul>	<ul style="list-style-type: none"> <li>• Employer services workshop held with all staff, focussing on the 'to be' position for this team; objectives for the team agreed</li> <li>• Full data gather and analysis on employer services work carried out by the Fund</li> <li>• Six process workshops undertaken, focussing on the key employer services work identified in the data gather, resulting in a number of recommendations (the employer services 'road map')</li> <li>• Employer services team structure and accompanying business case (laying out new roles and amendments to existing roles) agreed by Management Team</li> <li>• Job descriptions for new roles completed</li> <li>• Initial discussions with Human Resources on the next steps in implementing the new team have been discussed</li> <li>• A new post, Head of Governance / Director of the National LGPS Frameworks and</li> </ul>	<ul style="list-style-type: none"> <li>• Planning on the next stages of the implementation of the employer services team (including the consultation process and recruitment of additional roles); subsequent actions undertaken</li> <li>• Delivery of 'road map' recommendations to be planned and implemented – this is likely to fall to the new Employer Services Manager</li> <li>• Identify risks around key roles in the management team in relation to retention of staff and experience and establish an on-going plan to identify the skills and potential development plans required to minimise the possibility of skills 'gaps' in these roles in the future</li> <li>• Succession planning of key roles will continue in 22/23</li> </ul>	AY, GC



<p>aid recruitment of appropriately skilled staff and would provide value for money.</p> <ul style="list-style-type: none"> <li>• Sustainability and cost effectiveness</li> </ul>	<p>has been established, which supersedes the original recommendation.</p> <ul style="list-style-type: none"> <li>• Work has begun on succession planning of key senior roles, particularly around the development of middle manager roles as part of the new governance &amp; frameworks structure.</li> <li>• In October 2020, the Norfolk Pension Fund Management Team undertook training on change and transition management to help prepare for the Strategic Review Programme and the impact of the pandemic. This supported the development of the revised Management Team. Communication and decision making is now much more effective and there is a more robust process of taking actions from Management Team meetings etc.</li> <li>• The need to use 'market supplements' has been reduced through the re-structure as roles are being filled and amends are being made to candidate requirements which has led to some very talented new</li> </ul>		
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	<p>members of staff being recruited (for example in the administration teams).</p> <ul style="list-style-type: none"> <li>• Sustainability is being taken into account in all of the deliverables in the programme - for example via procuring future proofed administration systems. Cost effectiveness is expected to be evidenced in the future once the impact of all changes is seen.</li> </ul>		
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## 5 Key Lessons Learned

Meetings have been held with all Project Leads to discuss the 'lessons learned' from the Strategic Review Programme. The overall programme management was also discussed. These meetings covered:

- Review of delivery against the Strategic Review recommendations and consequent programme / project objectives
- Key achievements and challenges
- Highlights and best practice for future projects

The common areas highlighted across the programme are listed below:

### 5.1 What went well

- Programme & project governance, including meetings to discuss progress always focussed on the original objectives & recommendations made in the Strategic Review report, however there was always realism in what could be achieved in the timeframe and flexibility if dates & deliverables had to be adjusted.
- Engagement of the Pensions Committee and Board was very high from outset and throughout the project – this was driven by initial buy in to the objectives and expected benefits of the programme, including clear and transparent reporting, and the borne-out benefits, e.g. reduction in high risks
- Status reports and highlight reports were well received – full accountability was taken by the Management Team for the delivery of the objectives & recommendations even if this meant some amber reporting to the Committee. Where this was the case, a full explanation was given and a plan provided on how the objective would be met.
- Application of a Strategic Review Programme prioritisation exercise ensured key activity was delivered to meet immovable operational deadline dates, e.g. around 3rd party contractual requirements.
- All of the deliverables were focussed (and continue to be focussed) on 'future proofing' the Fund (processes, systems and people). This ensures that the Fund can respond to the changing needs of the LGPS and ensure the Fund delivers value to stakeholders.

### 5.2 What didn't go well

- The Strategic Review resulted in 18 recommendations which required significant commitment from the Management Team to deliver upon. Some were quite complex and there was perhaps an under appreciation of what that meant, in terms of delivery timescales which were initially ambitious.
- Resourcing and key person issues meant elements of the project were delayed impacting on delivery of key objectives. There was some element of underestimating the number of resources needed to stick to the original timescales.
- Communication with staff teams – although updates were provided, there was a lag between the initial 'launch' and then any subsequent updates.

- The impact of COVID was far reaching and although there was a very quick impact on resourcing, as key priorities at the Fund changed, there was also an impact on individuals due to the pace of change – for example, having to work from home and the cultural change that entailed.

### 5.3 What could be done differently

- Consider resourcing options to support key colleagues' absence on project workstream meetings. This may include creating small project teams for each project, or a deputy Project Lead who would be available in absences
- Earlier engagement with HR on structural change to understand the impact and ensure process and timescales were better understood and managed more efficiently
- Prioritise more frequent and focussed internal communication, with updates provided on a regular basis (even if this simply means that elements are progressing if there was no significant messaging). This may have provided reassurance and further engagement with the staff teams.

# Report to Pensions Committee

Item No. 9

<b>Report title:</b>	<b>Risk Register Report and Compliance with Breaches Policy</b>
<b>Date of meeting:</b>	<b>21 June 2022</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>

## Executive Summary

Norfolk County Council's Risk Management Framework requires reporting on all aspects of the Council's Risk Management responsibilities to the relevant Committee on a regular basis.

This report updates the Pensions Committee on the Norfolk Pension Fund's Risk Register and Breaches Policy. The summary Risk Heat map was reported to Pensions Committee in March 2022, and the last full report to Pensions Committee was in December 2021.

## Recommendations

The Pensions Committee is invited to note the contents of the Risk Register and summary of breaches.

## 1. Background and Purpose

- 1.1 Risks are categorised under the headings of Governance; Benefits Administration; and Investment and Funding. Risks are scored using the methodology at Appendix A.
- 1.2 The Norfolk Pension Fund maintains a detailed Risk Register. The Risk Register incorporates an assessment of likelihood and impact as well as control measures in place and an overall risk score.
- 1.3 The Register is regularly reviewed by the Management Team and appropriate action taken.
- 1.4 A single page Heat Map summarising all risks is attached at Appendix B. The Heat Map shows risk movement since February 2022. Risks are shown as either Low (green), Medium (amber) or High (red) by their respective category (governance, benefits administration and investment and funding) and symbols indicate movement in risk scores since the last update to Pensions Committee.
- 1.5 Our risk management continues to be effective in delivering and maintaining a resilient operational service.
- 1.6 The Strategic Review was intended to reduce a number of long-term high-risk areas; whilst the pandemic delayed the impact of the review, we have now seen a number of high risks effectively reduced over the last 12 months.

## 2. Risk Movement

- 2.1 The Heat Map at Appendix B highlights risk movement since the last report to Committee in March.
- 2.2 NPFA2 Lack of skilled resource in Administration  
The Administration Managers have successfully recruited to a number of vacancies and have also made use of the facilities at County Hall for team training and development. As a result, this risk has been reduced, and moves out of the High Risk category.

2.3 All other risks remain stable.

### **3. Areas of High Risk**

3.1 Appendix C shows movement in areas identified as High Risk over time.

3.2 We currently have 2 areas identified as High Risk, across Governance, Funding and Investment, and Benefits Administration. Since the last report to Committee, Lack of skilled resource in Administration (NPFA2) has been reduced from High Risk to Medium Risk.

#### **3.3 Insufficient Skilled Resource – Funding and Investment (ref. NPFF12)**

3.4 Although the risks associated with skilled resource have been mitigated elsewhere as a result of the Norfolk Pension Fund Strategic Review Programme, this remains a high risk for Funding and Investment pending the completion of the project in this area, including the establishment of the Employer Services team. This has been exacerbated by the need to recruit a new Pension Fund Accountant.

3.5 With the support of HR, we are making progress towards implementing new structures and recruiting. As new structures are implemented and established, we anticipate seeing downward movement in this area.

#### **3.6 Cyber and Financial Crime (ref. NPFG11)**

3.7 Cyber and Financial Crime is identified as an area of high risk, with a constantly evolving landscape, with complex interdependencies and an accelerating rate of change. Pensions are identified by the FCA and the Pensions Regulator as a prime target with an increasing threat level. The global pandemic, changes to working practices, including working from home, and pressure on individuals' personal circumstances add to this risk.

3.8 A comprehensive review of Norfolk Pension Fund's cyber security arrangements has been completed as part of the Strategic Review Programme, and an action plan developed. The Pensions Oversight Board intend to continue their oversight of progress with the action plan as part of their forward work programme in 2022.

### **4. Compliance with Breaches Policy**

4.1 Following a review of our compliance with the Pensions Regulator's Code of Practice (originally reported to Pensions Committee in June 2016), Committee approved the procedure for the reporting of breaches of law to the Pensions Regulator in December 2016.

4.2 Only breaches of 'material significance' should be reported to the Regulator. Criteria for determining whether a breach is material, together with examples of reportable breaches are detailed in the procedural document.

#### **4.3 Data Protection**

4.4 Since the last full risk report to Pensions Committee in December 2021 there has been one data protection incident. This was reported to Committee via the Administration Report (Item 3.25) in March 2022.

#### **4.5 Late pay over of employees and employers' contributions**

4.6 The late pay over of employees and employers' contributions is one of the areas monitored for reportable breaches. An extract from the breaches log is detailed below. None of the late pay overs were deemed material and therefore reportable to the Regulator.

4.7 There has not been a significant increase in delayed contribution payments as a result of the pandemic

4.8

Month	Summary Description of Breaches
October 2021	15 employers were late paying over their October contributions. The latest payment was 21 days late and totalled £116.47.
November 2021	19 employers were late paying over their November contributions. The latest payment was 26 days late and totalled £378.38.
December 2021	27 employers were late paying over their December contributions. The latest payment was 19 days late and totalled £1,923.01.
January 2022	15 employers were late paying over their January contributions. The latest payment was 21 days late and totalled £51.08.
February 2022	20 employers were late paying over their February contributions. The latest payment was 21 days late and totalled £4,322.85.
March 2022	19 employers were late paying over their March contributions. The latest payment was 21 days late and totalled £177.63.

4.9 All the above late payments were identified by the Fund's contribution monitoring process and chase communications were sent to ensure overdue amounts were received.

## 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. Risk Implications/Assessment

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

## 7. Other Implications (inc. Equality Impact Assessment (EqIA))

7.1 Officers have considered all the implications which members should be aware of. Apart from those listed (if any), there are no other implications to take into account.

## 8. Data Protection Impact Assessments (DPIA)

8.1 We have not identified any data protection implications for the content of this report.

## 9. Recommendation

9.1 The Pensions Committee is invited to note the contents of the Risk Register and summary of breaches.

## 10. Background Papers

10.1 Appendix A – Risk Scoring Methodology

Appendix B – Risk Heat Map movement since May 2021

Appendix C – High Risk movement tracking over time

## Officer Contact

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

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# Methodology

Methodology	
Project Name	Project XYZ
Prepared by	Project / Programme Manager
Date RAIDD Log opened	01 April 2011

## Project Risk Impact Criteria Model

Likelihood of risk occurring		
Likelihood	Definition	Value
Almost Certain	The event is expected to occur before the target date in most circumstances	5
Likely	The event will probably occur before the target date in most circumstances	4
Possible	The event might occur at some time before the target date	3
Unlikely	The event is not expected to occur before the target date	2
Rare	The event may occur only in exceptional circumstances before the target date	1

Impact if risk occurs (finalise and agree criteria with Project Board)			
Schedule	Costs	Performance / Quality	Value
<2 weeks delay	<1% of budget	Cosmetic impact only	1 Insignificant
2 weeks– 1 month	1%–<2%	Some minor elements of objectives affected	2 Minor
1 month–<2 months	2%–<8%	Significant areas of some objectives affected	3 Moderate
2 months–<4 months	8%–<12%	Wide area impact on some objectives	4 Major
>4 months delay	>12% of budget	Significant failure resulting in the project not meeting its objectives	5 Extreme

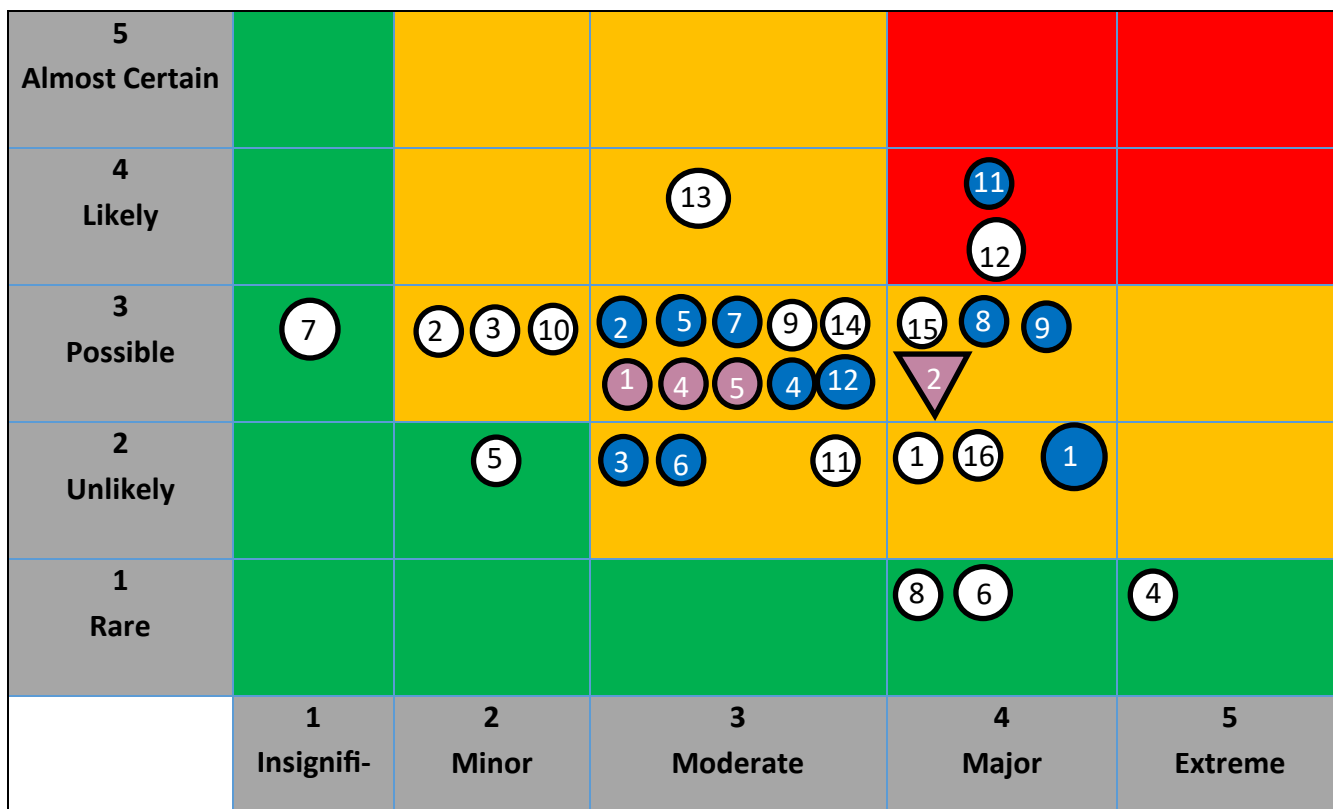
		Impact				
Likelihood		5	4	3	2	1
	5	25	20	15	10	5
	4	20	16	12	8	4
	3	15	12	9	6	3
	2	10	8	6	4	2
	1	5	4	3	2	1

Risk Level Tolerances	
Band	Risk Treatment
<b>High 16-25 (Red Risks)</b>	Risks analysed at this level are so significant that risk treatment is mandatory
<b>Medium 6-15 (Amber Risks)</b>	Risks analysed at this level require a cost/benefit analysis to take place to determine the most appropriate treatment
<b>Low 1-5 (Green Risks)</b>	Risks analysed at this level can be regarded as negligible, or so small that no risk treatment is required



**Norfolk Pension Fund Risk Heat Map May 2022**  
showing movement since February 2022

**Appendix B**



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

Becoming more of a risk



Risk is stable



Becoming less of a risk



## High risk movement tracking over time

Area of high risk	June 20	Sept 20	Nov 20	Feb 21	June 21	Nov 21	Feb 22	May 22
Insufficient skilled resource Governance NPFG8	→	→	→	→	→	↓	↓	→
Insufficient skilled resource Investment and Funding NPFF12	→	→	→	↓	→	↓	→	→
Insufficient skilled resource Administration NPFA2	→	→	→	↓	→	→	→	↓
Regulatory & performance reqt's failure Governance NPFG1	→	→	↑	→	↓	↓	→	→
Cyber and Financial crime Governance NPFG11	→	→	→	→	↓	→	→	→
Pooling of assets Investment and Funding NPFF13	→	→	↓	→	→	→	→	→
Employer and Employee on line services –Administration NPFA5	→	→	Closed					
National LGPS Frameworks Governance NPFG9	↑	→	→	↑	→	→	↓	→

# Pensions Committee

Item No: 10

<b>Report title:</b>	<b>ACCESS Update Unrestricted Items</b>
<b>Date of meeting:</b>	<b>21 June 2022</b>
<b>Responsible Director:</b>	<b>Simon George, Executive Director of Finance and Commercial Services</b> <b>Glenn Cossey, Director of the Norfolk Pension Fund</b>
<b>Executive Summary</b> <p>The Government requires LGPS Funds to work together to “pool” investments to significantly reduce costs, while maintaining investment performance”.</p> <p>Since December 2016 the Norfolk Pension Fund has been working with 10 other ‘like-minded’ Administering Authorities to operate the ACCESS (A Collaboration of Central, Eastern and Southern Shires) Pool. The ACCESS Funds are Cambridge, East Sussex, Essex, Hampshire, Hertfordshire, Isle of Wight, Kent, Norfolk, West Northamptonshire, Suffolk, and West Sussex.</p> <p>An Inter-Authority Agreement (IAA) has been signed by all 11 authorities defining governance and cost sharing arrangements for the ACCESS Pool.</p> <p>The ACCESS Pool is governed by a Joint Committee (JC) made up of one elected councillor from each authority’s Pensions Committee. The Norfolk Pension Fund is represented by the Chair of Pensions Committee.</p> <p>This report provides an update to the Pensions Committee on the work of the ACCESS Pool.</p> <b>Recommendations</b> <p>The Pensions Committee is invited to consider and note the contents of this report.</p>	

## 1. Background and Purpose

- 1.1 The ACCESS Joint Committee (JC) last met on 6<sup>th</sup> June 2022. A full set of restricted and unrestricted agenda papers relating to this meeting was circulated to members of this Committee and the Pensions Oversight Board for information.
- 1.2 This report briefs Pensions Committee on the unrestricted items considered by the JC on 6<sup>th</sup> June 2022. The restricted items discussed by the JC are considered elsewhere on this agenda. The JC is due to meet again on 6<sup>th</sup> September 2022.

## 2. Internal Audit of the ACCESS Support Unit

- 2.1 Essex County Council (ECC) acts as Host Authority for the ACCESS pool.
- 2.2 An element of ECC’s Internal Audit programme includes an investigation to assess whether the ACCESS Support Unit (ASU) is effectively fulfilling its responsibilities to the ACCESS pool and, by extension, give assurance that the Authority is fulfilling its responsibilities as accountable body for the ASU.
- 2.3 An initial audit was conducted during the summer of 2020, with a final report completed in November 2020. The opinion given by the auditor at that time was one of ‘Good Assurance’, the highest rating available, with no issues raised and a single recommendation to complete specific governance matters.

- 2.4 A second audit was undertaken during the Autumn of 2021. The report has been shared with ACCESS officers and s151 officers. The opinion given by the auditor was again one of 'Good Assurance', with a single recommendation covering a number of points relating to best practice in respect of the new Risk Management assessment and reporting process that was introduced last year.

### 3. Business Plan and Budget Outturn for 2021-22

- 3.1 The business plan for 2021-22 (last year) was agreed by the JC in January 2021. At the same meeting the JC also determined the budget necessary to implement the business plan and charge the relevant ACCESS Authorities.
- 3.2 The activities within last year's 2021/22 Business Plan, along with commentary on the status of each milestone at the end of the year (31 March 2022) are shown in the table below. The ongoing nature of a number of areas results in milestones spanning different years (in progress).

Theme / Milestone	2021/22 activity	Year-end status
<b>Actively managed listed assets</b>		
Launch of remaining Tranche 4b sub-fund	1 UK equity sub-fund (launched July 2021)	Complete
Launch of Tranche 5b	3 Fixed income sub-funds	In progress
Launch of Tranche 5c	2 Fixed income sub-funds (launched Oct & Dec 2021)	Complete
Launch of Tranche 5c	1 Global Equity sub-fund (launched Feb 2022)	Complete
Determine, approval & launch of Tranche 6	2 Emerging Market sub-funds	In progress
Transitioning capacity between sub-funds	Guide on existing options brought to March 2022 JC	Complete
Scheduled BAU evaluation	Ongoing dialogue	In progress
<b>Actively managed listed assets</b>		
Implementation of approach	MJ Hudson appointed Implementation Adviser Dec 2021	In progress
<b>Passively managed assets</b>		
Ongoing monitoring of passive assets	Dialogue included UBS presenting to IUG in March 2022	Complete
<b>Governance</b>		
Meetings and oversight	3 Joint Committees held; 2 Member briefings held 6 ACCESS s151 Officer meetings held	Complete Complete
Operational protocols	Review of Governance Manual undertaken	In progress
Engagement with HM Government	Annual Report to DLUHC submitted Autumn 2021 ASU met DLUHC Civil Servants Oct 2021 No pooling consultations during year	Complete Complete Yet to begin
Agreement to Joint Policies & guidelines. Communications ESG / RI	MHP presented Year 1 Comms activity to March 2022 JC Minerva developed draft RI Guidelines	In progress In progress
<b>ASU</b>		
ACCESS Support Unit	Implementation of 2020 review completed July 2021	Complete

- 3.3 The approved budget for the delivery of the 2021-22 Business Plan was £1,247m. Details of the final outturn position are shown in the table below.

	Agreed Budget 2021/2022 £	7/3/22 JC Forecast 2021/2022 £	Outturn 2021/2022 £	Overspend / (Underspend) 2021/2022 £	Agreed Budget 2022/23
<b>ASU</b>					
ASU Salaries (incl. on cost)	460,261	415,474	408,255	(52,006)	465,000
ASU Operational	20,580	17,628	15,575	(5,005)	23,000
ASU Host Authority Recharge	64,087	30,000	34,000	(30,087)	35,000
Technical Lead Recharge Costs	40,000	38,144	35,821	(4,179)	45,000
<b>ASU Total</b>	<b>584,928</b>	<b>501,246</b>	<b>493,651</b>	<b>(91,277)</b>	<b>568,000</b>

<b>Professional Costs</b>					
<i>Internal Professional Costs</i>					
JC Secretariat	21,761	16,322	18,090	(3,671)	22,000
Procurement	45,000	12,000	12,000	(33,000)	60,000
<i>Internal Professional Costs</i>	<u>66,761</u>	<u>28,322</u>	<u>30,090</u>	<u>(36,671)</u>	<u>82,000</u>
<i>External Professional Costs</i>					
Strategic & Technical	433,000	335,698	357,668	(75,332)	546,000
Legal & Governance	162,330	167,002	165,221	2,891	170,000
<i>External Professional Costs</i>	<u>595,330</u>	<u>502,700</u>	<u>522,889</u>	<u>(72,441)</u>	<u>716,000</u>
<b>Professional Costs Total</b>	<b>662,091</b>	<b>531,022</b>	<b>552,979</b>	<b>(109,112)</b>	<b>798,000</b>
<b>Total Costs per 2021/2022</b>	<b>1,247,019</b>	<b>1,032,268</b>	<b>1,046,630</b>	<b>(200,389)</b>	<b>1,366,000</b>
<b>Cost Per Authority</b>	<b>113,365</b>	<b>93,843</b>	<b>95,148</b>	<b>(18,217)</b>	<b>124,182</b>

- 3.4 The final expenditure for financial year 2021-22 was £1.047m (£95,148 per ACCESS Authority) giving rise to an underspend of £0.200m. The final position being largely driven by underspends within the following areas:
- ASU salaries - new Client Manager joined the ASU part way through the year.
  - ASU Host Authority (Essex County Council) recharge – the overhead was reviewed and reduced at the start of the year.
  - JC Secretariat – the budget included contingency for an additional (fifth) JC meeting in the year which was not required.
  - Procurement – procurements related to non-listed assets and phase 2 of responsible investment (reporting) are now expected to commence in 2022-23.
  - Strategic & Technical – favourable commercial terms from winning bidder compared to budget assumptions.
- 3.5 The approved budget for the delivery of the 2022-23 Business Plan is estimated to be £1.366m, which equates to £124,182 per ACCESS Authority.
- 3.6 The JC also received an update regarding amendments to the Inter Authority Agreement (IAA). Once approved, the amendments to the IAA will:
- Introduce an express provision for the JC to make recommendations to ACCESS Authorities about the adoption and content of guidelines for the Pool.
  - Allow for observers from nominated Local Pension Boards to attend the JC.
  - Make the rules around Authorities nominating substitutes for JC members and s101 Committee Member attendance more flexible.
- 3.7 Governance arrangements to approve the proposed IAA revisions vary across the Pool Authorities. Norfolk has delegated authority (from Full Council) for the Monitoring Officer (Director of Governance) to approve revisions to the IAA.
- 4. Financial and Other Resource Implications**
- 4.1 At the time of writing this report there are no additional financial or other resource implications beyond those already budgeted for and approved by Committee.
- 5. Other Implications (Inc. Equality Impact Assessment (EqIA))**
- 5.1 Officers have considered all the implications which members should be aware of.

Apart from those listed (if any), there are no other implications to consider.  
There are no issues relevant to equality in this report.

## **6. Data Protection Impact Assessments (DPIA)**

- 6.1 We have not identified any data protection implications for the content of this report.

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

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

## **8. Recommendations**

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

## **9. Background Papers**

- 9.1 A full set of restricted and unrestricted agenda papers relating to 6 June JC meeting was circulated by email to members of this Committee and the Pensions Oversight Board.

## **Officer Contact**

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

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