

Pensions Committee

Minutes of the meeting held on Tuesday 7 December 2021 commencing at 9:30 am and held at County Hall, Norwich

Present:

Mr S Aspin	
Cllr A Birmingham	
Cllr J Fuller	
Cllr W Richmond	
Cllr D Roper	
Cllr J Oliver	(Chair)
Cllr M Storey	
Cllr A Waters	(Present from item 10 only)

Officers Present:

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

Others Present:

David Walker	Investment Adviser, Hymans Robertson
Gemma Sefton	Hymans Robertson
Emily Archer	HarbourVest
Alex Wolf	HarbourVest
Brian Wigg	Chairman of the Pensions Oversight Board

1 Apologies for Absence

- 1.1** There were no apologies for absence from Members of the Committee although Cllr M Storey and Cllr A Waters had both indicated that they would be late attending the meeting. An apology was received from Rob Bilton of Hymans Robertson (with Gemma Sefton attending in his place).

2 Minutes

- 2.1** The minutes of the previous meeting held on 5 October 2021 were

confirmed as a correct record and signed by the Chair.

3 Declaration of Interests

The following declarations of interest was received:

- Cllr Alison Birmingham declared an “other interest” because she was a member of the scheme.
- Cllr Dan Roper declared an “other interest” because his wife was a deferred member of the scheme.

4 Matters of Urgent Business

- 4.1** The Chair agreed that the Committee should receive as urgent business a note regarding an Admission Agreement (circulated prior to the meeting) about Freedom Leisure (Great Yarmouth Borough Council Contract). This Admission Agreement had arisen after the publication of the agenda. The Chair agreed to consider this matter as an addition to the recommendations contained in the Administration Report at item 5 on the agenda.

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 together with a note regarding an Admission Agreement (circulated prior to the meeting) about Freedom Leisure (Great Yarmouth Borough Council Contract).
- 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 October 2021.
- 5.3** The Committee’s attention was drawn to the following:

Government Changes

- The new Minister with responsibility for the LGPS at the renamed Department for Levelling Up, Housing and Communities was confirmed as Kemi Badenoch MP

Current Issues

- The consultation on the implementation on the Taskforce on Climate Related Disclosures (TCFD) in the LGPS had not yet been received although it was anticipated imminently
- The Pensions Regulator’s new Combined Code was unlikely to be brought in before Summer 2022 at the earliest
- The Scheme Advisory Board (SAB) confirmed that they did not recommend benefit changes as a result of the 2016 Cost Cap process
- A number of significant reforms, including the McCloud remedy, the reform of the Exit Cap, and statutory guidance to implement the

Good Governance recommendations were anticipated

Future Ways of Working

- Evidence gathering to inform the shaping of future service delivery was underway

Communication and Engagement with:

Scheme members

- Annual and Lifetime allowance statements were issued
- The latest edition of 'Prime Time' was published

Employers

- The latest Employer Newsletter was published
- An Employer Forum is scheduled for 9th December

Team

- We maintain a Weekly Newssheet and an end of year team meeting was scheduled for 15th December

Accounts and Financial reporting

- The draft Annual Report and Accounts were published and would be confirmed as final once Norfolk County Council's accounts were signed off.
- The latest Employer Financial Reports was produced and published

National LGPS Frameworks

- The Annual Founders Meeting took place, where the latest details of business plan were discussed and agreed
- New Frameworks for Stewardship, Third-Party Administration and Investment Consultancy frameworks were in progress

Knowledge & Skills

- Details of future training events and conferences were circulated regularly, and Pensions Committee members were reminded to let the Fund know of training completed and events attended so that training records could be maintained.

5.4 RESOLVED

That the Committee note the contents of this report including the following 3 Admission Agreements:

Compass Group –T/A Chartwells (Heart Education Trust)

Spire Cleaning (Fred Nicholson School)

**Freedom Leisure (Great Yarmouth Borough Council Contract)
(circulated by email prior to this meeting).**

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 September 2021 and 11 November 2021.
- 6.2** Brian Wigg, the Chairman of the POB, updated Pensions Committee on the work of the Board, which included receiving regular updates on current operational performance and issues, and regulatory reform.

- 6.3** The Board had considered the approach to future ways of working and contributed to the evidence gathering; and would receive and update on this work at their next Meeting 9 February 2022 , alongside an overview of the valuation process and plans.
- 6.4** Jo Quarterman, Norfolk Pension Fund Project and Development Manager, provided the Committee with an update regarding Pensions Board membership and the steps that were being taken to fill vacancies.
- 6.5** The Chair placed on record the Committee's thanks to John Harries and Debbie Beck who were retiring from the Pensions Oversight Board after having completed their terms of office. The Chair said that she would be writing to them to thank them for all their hard work. Arrangements were in hand for the appointment of replacements and induction training in advance of the next meeting of the Board in February 2021.

6.6 RESOLVED

That the Committee note the contents of the report.

7 ACCESS Update – Unrestricted Items

- 7.1** The annexed report (7) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund was received. The report updated the Committee on the work of the ACCESS Pool.
- 7.2** The ACCESS Joint Committee (JC) had last met on 6th December 2021 and was due to next meet on 7 March 2022. The agenda and supporting papers for the meeting on 6 December 2021 were circulated to Pensions Committee and Pensions Board Members prior to this meeting of the Pensions Committee.
- 7.3** Items considered at the JC meeting on 6 December 2021 had included the business plan and forecast outturn. The Committee noted the reasons for the forecast variances in the approved budget for the delivery of the 2021/22 ACCESS Business Plan which were set out in paragraph 2.2 of the report. It was agreed that in future the sums attributed to each of the variances should appear in the report to the Pensions Committee (as they appeared in the JC agenda papers previously circulated).
- 7.4** It was noted that the ACCESS JC were updated on the cross-pool commissioned research into overseas pooling. This concluded that the benefits of pooling were of meaningful scale and that whilst there was no 'best way' to pool there were characteristic of successful model and benefits realisation. This learning would be considered by ACCESS in future business planning and risk management.
- 7.5 RESOLVED**

That the Committee note the content of the report.

8 Exclusion of the Public Items 9-16 only

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

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

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

8.3 Item 9 – ACCESS Update – 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.

8.4 Item 10 – 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.

8.5 Item 11 –Risk Register 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.

8.6 Item 12 – Planning for the 2022 Valuation

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

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

8.7 Item 13 – 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.

8.8 Item 14 – Investment Update

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.

8.9 Item 15 - Private Equity Update

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.

8.10 Item 16– Exempt Minutes

These minutes contained commercially sensitive information related to the performance of third-party individual fund management companies which if in the public domain could have a detrimental impact on the

companies' commercial revenue and consequently adverse impact on Pension Fund Performance.

8.11 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.

9 ACCESS Update- restricted items

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

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

9.3 RESOLVED

That the Committee note the contents of the report.

10 NPF Strategic Review Programme: Status Report

10.1 The Committee received a report (containing exempt information) by the Executive Director of Finance and Commercial Services and the Director of Norfolk Pension Fund that provided an update on progress with the Norfolk Pension Fund Strategic Review Programme and supporting projects.

10.2 RESOLVED

That the Committee note the contents of the report.

11 Risk Register Report

11.1 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 the Norfolk Pension Fund's Risk Register and Breaches Policy.

11.2 RESOLVED

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

12 Planning for the 2022 Valuation

- 12.1** The Committee received a report and a presentation (containing exempt information) by Hymans Robertson about preparations for the 2022 triennial valuation, which is a key risk management exercise for the Fund.

12.2 RESOLVED

That the Committee note the contents of the report and the presentation to the Committee by Hymans Robertson.

13 Investment Performance Update by Hymans.

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

- 13.2** The Investment Advisor summarised the investment performance for the second quarter of 2021 which was set out in the report.

13.3 RESOLVED

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

14 Investment Update

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

14.2 RESOLVED

That the Committee note the content of the report.

15 Private Equity Update

- 15.1** The Committee received a report and presentation by HarbourVest (containing exempt information).

- 15.2** The presentation to today's meeting provided a training overview on private equity and debt investments and a review and update on the private market portfolio managed by Harbourvest.

15.3 RESOLVED

That the Committee note the content of the report and the presentation by HarbourVest.

16 Exempt Minutes of the meeting held on 5 October 2021

- 16.1** The exempt minutes of the meeting held on 5 October 2021 were confirmed by the Committee and signed by the Chair.

The meeting concluded at 1. 10 pm

Chair