

**NORTHUMBERLAND COUNTY COUNCIL PENSION FUND
Pension Fund Panel Meeting 21 June 2019**

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Report of the Chair of the Northumberland LGPS Local Pension Board

Purpose of the Report

The purpose of this report is for the Pensions Panel to learn of the Board's observations on topics referred from the Panel and to consider any recommendations from and assurances gained by the Northumberland Local Pension Board, and any other relevant information, emanating from the meeting of the Board on 25 March 2019.

Recommendation: The Panel is requested to note the feedback on items referred to the Board (paragraph 1), which includes some technical recommendations, to note the other assurances gained by the Board in paragraph 2 and to note the points of interest set out in paragraph 3.

Outcomes from Pension Board Meeting on 25 March 2019

1. Items referred by the Panel

1.1. Review of Code of Practice 14

The Board reviewed the documentation provided as the annual review of compliance with the Pension Regulator's Code, and focussed on areas shown as amber (partially compliant). The review included those areas of the Code now being covered by South Tyneside Council (STC) under the shared services arrangement. The majority of the recommendations previously made by the Board have been implemented, with others expected to be fully compliant at the next annual review of the Code. Assurances were gained from an independent review of compliance with the Code at STC Administration.

1.2. Consideration of the Data Improvement Plan (DIP)

The Board recommended that timescales be identified as part of future updates, but nevertheless gained assurance that a comprehensive DIP was in place and being acted upon by STC Administration with a focus on ensuring as much error-free data as possible ahead of the Triennial Valuation 2019.

1.3. Review of Breaches of the Law

The Board assessed the information referred by the February Panel. Support to one small employer appears to have resolved some recordable-only breaches, but the situation continues to be monitored. Breaches around "migration balancing items" had been corrected with the Board agreeing that such breaches were not of material significance to the Regulator and therefore were not reportable. The Board gained assurances that the previous "legacy breaches" (pre shared services) had all been resolved.

1.4. Review of Key Performance Indicators

The Board was pleased with the improved performance from one employer, following support from officers of the shared administration service. A technical recommendation from the Board for the inclusion of an additional statistic to help interpret the performance figures will be adopted in future reports.

1.5 Updating the Risk Register

The Board noted the proposed revised layout of the Risk Register of the Pension Fund, and consistency with that of NCC regarding the scoring methodology. Progress reports will be made prior to its submission to the Panel. The Board gained assurances by the seniority of the risk owners.

2. Other Assurances Gained by the Board

- 2.1. The Board noted that STC's Internal Audit Partnership had concluded that there was 'substantial assurance' when auditing the STC Administration GDPR Compliance for 2018/19.
- 2.2 Regarding communication with scheme members, the Board received feedback regarding the move away from automatic production of paper copies of future payslips, annual statements etc. The Board noted the increased scale of queries from members, and the receipt of a modest number of complaints, but nevertheless gained assurances from the reviews carried out that future peak demand periods can be managed appropriately.

3. Other Information

- 3.1. The newly appointed scheme employer representative, Cllr Ian Hutchinson, was welcomed to the Board.
- 3.2 The Board welcomed the appointment of a scheme member representative as Observer at the Joint Management Committee meetings of the Border to Coast Pensions Partnership.
- 3.3 The Board noted the proposals under Regulation 18(5) of the LGPS Regulations 2013 for handing problematic refunds without constituting a breach of the law.
- 3.4 The Board identified a practical approach to facilitate compliance with the Scheme Advisory Board's (SAB) challenging recommendation that Boards review the Pension Fund's Annual Report prior to its publication. At the time of writing, this review is in progress.
- 3.5 The previously-agreed recommendations (mainly technical) to modify the Terms of Reference would be incorporated when the Council's Constitution is next updated. The revised Terms of Reference would then be published on the website.
- 3.6 The Board reviewed the first draft of its Annual Report, for inclusion within the 2018/19 NCCPF Annual Report and Accounts.

Gerard Moore

Independent Chair: Northumberland LGPS Pensions Board