



CARE	Partnership
CIPFA	Career Average Revalued Earnings
	The Chartered Institute of Public Finance and Accountancy
Common Data	Eg name, address and date of birth
GAD	Government Actuary's Department
GMP	Guaranteed Minimum Pension
IDRP	Internal Dispute Resolution Procedure
LGIM	Legal and General Investment Management
MHCLG	Ministry of Housing, Communities and Local Government
MiFID II	Markets in Financial Instruments Directive II
NCCPF	NCC in its Scheme Manager role
PSS	Pension Savings Statements
RI	Responsible Investment
SAB	Scheme Advisory Board
Scheme-Specific (Conditional) Data	Eg employment records and contribution history
STC Administration	Shared administration service for NCCPF and TWPF
ToR	Terms of Reference
tPR	The Pensions Regulator
TWPF	Tyne and Wear Pension Fund

### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Watson (Observer, Chair of Pension Fund Panel).

### **2. CONSIDERATION (DECLARATION) OF CONFLICTS OF INTEREST**

None were declared, although the Chair referred to a potential conflict which could arise should Board members' attendance at CIPFA events be discussed, due to his association with CIPFA, so he would not be involved in any related discussion.

### **3. MINUTES OF THE NCC LGPS LOCAL PENSION BOARD**

A copy of the previously agreed minutes of the meeting of the LGPS Local Pension Board ("the Board"), held on Monday 25 March 2019, were circulated at the meeting and received for information.

Ch.'s Initials.....

*LGPS Local Pension Board, 12 July 2019*

## 4. ITEMS FOR IN DEPTH ANALYSIS

The Chair reminded Board members to retain all Pension Fund Panel meeting papers to consider at each Board meeting.

### 4A Recording breaches

- Recording breaches (Report A16 of 21 June 2019 Panel meeting papers and Appendix 17)

CG detailed one breach where pension contributions had not been paid by an employer following a change in status. The outstanding payments had since been paid by the employer following a reminder.

The Board **agreed** that the breach was recordable but not of material significance or reportable to tPR, and gained assurance that the AA had learned from similar circumstances previously and had followed up quickly to successfully chase the payment.

### 4B Data process details

- Report A16 of 21 June 2019 Panel meeting papers and “NCCPF process details” enclosure

The Board, following a referral from the NCC Pension Fund Panel, reviewed the key data processing information for LGPS administration for the year and quarter to 31 March 2019. This information was the equivalent of the key performance indicators (KPIs) which were provided to the Panel prior to implementation of the shared service, but much enhanced because it covered all administration processes, rather than just five of them. DT circulated an additional document which measured major processes against the Disclosure Regulations as at 27 June 2019. Explanations were provided for areas where there had been a breach of the legal timescales in the Regulations. Many failures to meet the timescales were due to the focus on 2019 valuation related work and improvements were expected in future quarters.

The Chair commented that, prior to the shared service, the Board had access to information in relation to things such as staffing capability and pressures, and questioned whether STC Administration was currently comfortable with its staffing level. DT responded that STC Administration was still in a transition period following the move to a shared service, and finding a balance. Online services were being implemented at TWPF in stages and it was important to allow those processes to bed in before analysing any staffing pressures and requirements.

The Chair queried whether there was an agreed protocol around reporting breaches, and whether breaches would be reported to tPR by NCCPF or STC Administration. CG responded that this was covered in NCCPF's Breaches Recording Policy, which had been amended following the implementation of the shared service.

The Board discussed the data provided and raised concerns about whether it was sufficient to enable the Board to identify reportable breaches. In particular, the Board would need detail around how many of the failures are more than (say) three months old, in future reports.

It was **agreed** that the tabled report and additional data on outstanding processes with suitable age analysis be received on a quarterly basis.

#### **4C Data Improvement Plan**

- Report A16 of 21 June 2019 Panel meeting papers and "NCCPF Data Improvement Plan" enclosure

The Board received the latest version of the NCCPF 2018 Data Improvement Plan (DIP).

DT explained that recent work had been prioritised in accordance with its relevance to the 31 March 2019 actuarial valuation data submission to the actuary. Items coloured green were complete, amber was work in progress and uncoloured had not yet been started. The Plan was a working document, updated on a regular basis and would likely have changed since circulation to the Board at this meeting.

The Chair complimented officers on achieving a Common Data score of 99.69% and a Scheme Specific Data score of 84.23%, which in his experience were both high scores. CG commented that, as yet there was no consistency regarding the Scheme Specific data scoring, and therefore making direct comparisons with other funds at this stage should be done with caution. The issue of consistency regarding Scheme Specific data was to be further considered by the SAB in the future.

The Chair referred to the LGPS SAB 2019 Annual Survey, which was expected to be released imminently, and encouraged all Board members to participate in the process. Although there was one survey response expected per fund, individual Board members could submit their own responses if their views differed from the main response on behalf of NCCPF.

The Board **accepted** the report.

**5. Final version of 2018/19 Annual Report of NCC's LGPS Local Pension Board**

The Board **received** the final version of the 2018/19 Annual Report of the NCC LGPS Local Pension Board, which had been included in the draft NCCPF Annual Report and Accounts 2018/19. The draft Board Annual Report had been considered at the meeting in March.

**6. Meeting of BCPP Board Chairs held on 22 May 2019**

The Chair provided feedback from the meeting of BCPP Board Chairs which had been held on 22 May 2019. The key issue which had emerged at the meeting was around access to BCPP Joint Committee papers by Board Members and potential confidentiality issues. CG confirmed that Board members were required to treat relevant parts of the Pension Fund Panel papers as confidential, and there was therefore no requirement for additional confidentiality agreements for Board members to have sight of the BCPP Joint Committee papers.

The next meeting of the BCPP Board Chairs was due to take place at the BCPP Ltd Annual Conference in Leeds in October 2019.

**7. NCCPF's 2019 Annual Benefits Statements (ABS) and Pension Savings Statements (PSS), timetable for issuing both, progress and communications**

The Chair gave a brief background to the process of issuing ABSs and PSSs, and reaffirmed that the Board's main aim was to gain assurance that statutory deadlines in relation to issuing both would be met.

A copy of the template ABS documents for deferred members was included within the papers. The Chair was pleased to note that suggested amendments from the Board (made last year) had been included.

DT confirmed that calculations had already been run for the issuing of 2019 ABSs. Statements would also be sent electronically this year, the first year such a provision was available. Information was being released in stages to help manage call volumes to the Pensions Helpline and avoid a repeat of the overloads experienced earlier in the year. DT confirmed that everything was ahead of schedule and all of the statements scheduled to be issued before the 31 August 2019 statutory deadline.

It was noted that there was a group of members who had neither registered for online statements or requested hard copy statements.

Members discussed login difficulties with the TWPF 'mypension' online portal and enquired about the system upgrade that had been discussed previously.

DT reported that a new Communications Manager (Steve Makin) had recently been appointed by TWPF and one of his priorities would be website improvements. An update on the potential website upgrade was requested for the next meeting.

**8. Internal Dispute Resolution Procedure (IDRP), relevant Regulations, NCCPF's process, and recent Stage 1 and Stage 2 determinations**

The Board received an extract from the LGPS Regulations which set out the requirements for the dispute resolution procedure which funds and employers must operate; NCCPF's IDR process leaflet; a summary of the IDR process at NCCPF with the relevant extract from NCCPF's Administering Authority Discretions Policy; and a summary of NCCPF's Stage One appeals in 2017/18 and 2018/19, and NCCPF's Stage Two appeals since January 2018.

In answer to questions, CG confirmed that:

- IDR Stage One appeals were charged for on a case by case basis with costs being borne by the relevant employer or by the Fund.
- West Yorkshire Pension Fund, as Stage One IDR adjudicator, would not be aware of the final result of a case they had recommended be reconsidered by the employer.
- Individual employers were required to have their own IDR process, and could adopt the process followed by NCC or create their own.

The Chair agreed to review the NCCPF process and compare it to the Code of Practice and circulate his comments to officers and Board members following the meeting.

The Board **gained assurance** from the information received on NCCPF's IDR processes.

*A short break was taken at 10.45 a.m. before the meeting reconvened at 10.55 a.m.*

**9. The Pensions Regulator's (tPR's) presentation at the PLSA LGPS Annual Conference in May 2019 with the Chair's commentary (enclosed), and tPR's presentation at the CIPFA and Barnett Waddingham LGPS Local Pension Board Annual Event in June 2019**

The Chair circulated a copy of the notes taken following his attendance at a presentation given by Fiona Frobisher, of the Pensions Regulator, at the PLSA Annual Conference on 15 May 2019.

The report from tPR's visits to ten LGPS funds in 2018 was expected before the end of August 2019. The cohort for 2019 was to be selected on a different

basis, with investigations likely to take the form of a questionnaire, rather than site visits to funds. It was noted that tPR had expressed an interest in attending a LGPS Board meeting.

Members were recommended to review the slides from the conference enclosed with the agenda in addition to the slides circulated by the Chair (by email on 28 June) from the CIPFA and Barnett Waddingham LGPS Local Pension Board Annual Event in June 2019.

**10. Summary of outcomes for NCCPF from the 2019 National Fraud Initiative (NFI) data comparison**

DT provided a brief summary of the outcomes, for NCCPF, of the recent National Fraud Initiative (NFI) exercise which had identified three cases where a pension remained in payment to a deceased member of the Scheme. Investigatory work was ongoing as was the process of recovering any overpayments.

Following a query on write offs, DT responded that in a small number of cases debt would be written off, following an assessment on the size of the debt, the work involved and the likelihood of repayment. CG confirmed that the write offs were met by the Fund.

**11. Review of the governance process followed, to date, by NCCPF in considering further joint working with Tyne and Wear Pension Fund**

- Report B3 of 21 June 2019 Panel meeting papers and Appendices 6, 7, 8, 9 and 10 and relevant enclosures

CG gave a summary of the governance process that had been followed to date by NCCPF in considering the potential of further joint working with TWPF.

The Chair sought and received assurances from the Interim Executive Director of Finance regarding the continued employment of NCC staff currently working on the project through to the potential completion date.

The Board **gained assurance** that the governance processes followed to date by NCCPF had been robust.

**12. Proposed communications with NCCPF's members about further joint working with Tyne and Wear Pension Fund**

CG confirmed the intention that Board member input would be obtained prior to the issue of any mass communications with NCCPF Scheme members about further joint working with TWPF.

It was likely that, due to the cost of postage, TWPF members would not

receive a direct mailing regarding this matter, although information would be made available via the TWPF website, and emails to employers and members to ensure as much membership awareness as possible.

It was noted that Ian Bainbridge, Head of Pensions at TWPF, would be in attendance at the scheduled NCCPF Employer Meeting on 4 November 2019. Also present at the event would be Jonathan Teasdale from Aon, the Fund's actuary.

### **13. Pensions Administration telephone Helpline and mypension Supportline statistics**

The Board received information regarding the volume of calls to the STC Administration Pensions Helpline and the percentage of those calls answered first time, for the period January to June 2019. DT reported that the voicemail facility had been removed from the 16 April 2019.

In answer to a question, she confirmed that STC Administration's target was to respond to written correspondence, including emails and queries received through the portal, within 10 working days.

### **14. NCCPF's risk register**

AL provided a summary of the updated NCCPF Risk Register, which had been revised in accordance with the new NCC corporate format. The likelihood and probability of a risk was assessed against a number of impacts and graded according to the matrix. 22 risks had been identified and categorised as red (1) amber (5) and green (16) depending on their severity.

CG commented that a number of processes now implemented by the shared service, such as the NFI exercise and monthly reconciliation of pensions in payment to the member records, provided greater controls and reduced the risk of fraud or overpayments.

The Chair thanked officers for the work involved in updating the risk register and invited Board members to keep the register under review and provide feedback. The Board **gained assurance** from the seniority of risk owners within the organisation. A review of risks was included as a standing item on every Board agenda.

### **15. Review of NCCPF's AVC provision against the criteria set out in tPR's Code 13 and Code 14**

- Report B7 of 21 June 2019 Panel meeting papers and Appendix 16

Extracts of Code of Practice 13: 'Governance and administration of occupational trust based schemes providing money purchase benefits' and

Code of Practice 14: 'Governance and Administration of public service pension schemes' were provided.

CG explained that the independent review of NCCPF's AVC provision had been undertaken by Hymans Robertson at the end of 2018. A number of changes had been recommended including removal of some investment options, which would no longer be available for new contributors, and additional options which had been agreed by the Pension Fund Panel to provide a suitable range of options for members of the Scheme. There was also some commonality between the AVC provisions offered by NCCPF and TWPF.

The Board **gained assurance** that the AVC provision offered members of the Fund reasonable choice and represented good value for money.

## **16. Review of NCCPF's 2018/19 Annual Report and Accounts against Regulation 57**

- 21 June 2019 Panel meeting papers "NCCPF Annual Report" enclosure

An extract of LGPS Regulation 57 was included with the agenda papers and an Annual Report checklist had previously been circulated to members by AL by email on 23 May 2019, prior to the publication of the NCCPF draft Annual Report and Accounts 2018/19.

AL confirmed that the annual report had complied with all areas where this was possible, with an explanation provided for any areas where compliance was not possible. NCC's Audit Committee was scheduled to consider the accounts on 24 July 2019 in advance of the 31 July deadline. The audit of the Fund accounts was substantially complete with only a small number of changes deemed necessary.

The Chair noted that this was the first year that Boards had been required to review the Fund's draft Annual Report and Accounts and that, given the relatively short notice and timing of the release of the guidance, everything had been done that was possible in the time available.

### **STANDING AGENDA ITEMS**

The following items were included on agendas as standing items in order that issues could be discussed, if required.

## **17. New risks and changes to existing risks**

Reference was made to the discussion held earlier in the meeting under Item 14.

**18. Future meeting dates**

Members received an updated list of dates for meetings of the NCC LGPS Local Pension Board in 2019/20.

**19. Any other business**

**Valuation Data Focus**

Following a query, DT was pleased to report that the 2019 valuation data for NCCPF had been submitted to the actuary on 11 July 2019, in advance of the actuary's deadline. It was anticipated that queries would be received back from the actuary in relation to the data submitted before the end of July 2019.

The Board **gained assurance** that valuation information had been submitted to the actuary in a timely manner.

(The meeting ended at 12.10 p.m.)

**CHAIR** GF Moore

**DATE** 23 August 2019