



Democratic Services
2nd Floor
One Angel Square
Northampton
NN1 1DE

Pensions Committee

Minutes: 23rd March 2018

Venue: Room G14, One Angel Square, Northampton
(Meeting held in public)

PRESENT (for all or part of the meeting):

Councillor Graham Lawman (Chairman)

Councillor Julie Brookfield	Northamptonshire County Council
Councillor Stephen Legg	Northamptonshire County Council
Councillor Bob Scott	Northamptonshire County Council
Councillor Adil Sadygov	Northamptonshire County Council
Damian Pickard	Other Employers Representative
Robert Austin	Other Employers Representative
Janet Blunden	Unison/Employee Representative
Peter Borley-Cox	Unison/Employee Representative

Also in attendance (for all or part of the meeting)

Asim Iqbal	KPMG
Stephen Mangan	Audit and Risk Manager
Paul Tysoe	Investment & Fund Accounting Manager
Joanne Walton	LGSS Governance and Regulations Manager
Michelle Oakensen	LGSS Governance Officer
Cory Blose	Employer Services and Systems Manager
Mark Whitby	Head of LGSS Pensions
Catherine Greenfield	Democratic Services (Minutes)

01/18 Apologies for non-attendance

Apologies for non-attendance were received from: Councillors James Hakewill, Richard Lewis and Peter Rawlinson.

02/18 Notification of Requests from Members of the Public to Address the Meeting

There was one request from a member of the public to address the meeting on Item 10 of the agenda.

03/18 Declaration of Members' Interests

Item	Councillor/Member	Nature
All	Councillor Julie Brookfield	Deferred member of the LGPS
All	Councillor Stephen Legg	Deferred member LGPS
All	Damian Pickard	Member of the LGPS
All	Janet Blunden	Member of the LGPS
All	Bob Scott	Member of the LGSS Joint Committee

04/18 Chairman's Announcements

The Chairman welcomed everyone to the meeting in particular Paul Tysoe who had recently returned to work. The Chair wished to express his thanks to Paul and Richard for the assistance with the preparation of his presentation at Carden Park.

05/18 (a) Minutes of the Pension Committee Meeting held in public on 15 December 2017

RESOLVED that: the Pensions Committee approved the minutes of the meeting held in public on 15 December 2017 be agreed subject to the amendment on page 7 of the papers from £31,927 to £7,642

05/18 (c) Action Log from the Pensions Committee Meeting held in public on 15 December 2017

The Committee noted that at item 83/17 of the Action Log Northamptonshire County Council had not yet nominated a lead Data Protection Officer.

RESOLVED that: the Pensions Committee noted the Action Log from the Pensions Committee held in public on 15 December 2017.

06/18 (a) Minutes of the Investment Sub Committee held in public on 18 February 2018

RESOLVED That the Pensions Committee: noted the minutes of the Investment Sub-Committee held in public on 18 February 2018

07/18 External Audit Plan

The Chairman invited Asim Iqbal KPMG to introduce the report. The following points were highlighted;

- There had been no significant changes to the Code of Practice on Local Authority Accounting in 2017/18.
- The deadline for signing off the financial statements had been amended to 31 July 2018 and work was being undertaken with officers to ensure this deadline was met.
- KPMG's level of materiality set for the 2018/19 year has increased from £16 million to £20 million. The audit had been satisfied by the data accuracy in the interim audit recently undertaken, with the key risk being in the value of the investments due to materiality.
- The Pension Fund Audit fee for the year 2017-18 was £24,285.
- Further testing was required this year around the journal authorisation process.
- A second risk lay in fraud recognition.

In response to matters raised by the Committee the following response was given;

- There was confidence that there was sufficient capacity to achieve the new earlier deadline for sign off based on the experience of last year.

RESOLVED that; the Committee noted the External Audit Plan

08/18 Internal Audit Report

The Chairman invited Stephen Mangan, Audit & Risk Manager, to introduce the report. The following points were highlighted;

- The Internal Audit report had found the design and implementation of controls for the administration of the pension fund to be stable, well designed and with high levels of compliance.
- Four issues were highlighted; the end of year reconciliation had not been finalised at the time of the audit; a number of members' records had been given the status of 'suspended' and there was no regular review of these records; bank reconciliations were not being completed on a timely basis and anomalies in the reconciliation between the historic pension payroll and Altair records had been identified and work to resolve them was progressing.

RESOLVED that; the Committee noted the Internal Audit Report

09/18 Business Plan Update

The Chairman invited Michelle Oakensen, Governance Officer, to introduce the report. The following points were highlighted;

- 45 under payments had been identified and reconciled.
- Legal advice had been received and an Overpayments of Pension Policy would be brought to the June meeting of the Pensions Committee for approval.
- 3,321 queries had been raised by ITM Limited for resolution by LGSS Pensions. All GMP queries to be raised with HMRC must be done so before 31st October as HMRC would not receive and further queries after this date.
- The LGSS pensions and scheme employer key performance indicators were positive as were the service KPIs.

RESOLVED that; the Committee noted the Business Plan update

10/18 Governance and Legislation Report

The Chairman invited a member of the public in attendance to address the Committee in regard to item 4 of the report, survivor pension entitlement. The following points were highlighted;

- There was concern that there would be further delay in the payment of a survivor pension following the judgement of the High Court on 18 January 2018.
- Also of concern was the possible claw back of any overpayment made to children's pensions.

The Head of Pensions agreed that following the Elmes v Essex case judgement it did appear that a payment could be made, but the details of the judgement would need to be seen first. In regard to children's pension payments it was unlikely that the element of overpayment would be recovered, however the detail of the judgement would need to be seen and the case was complex. The current position was to await national advice.

RESOLVED that; the Committee noted the Governance and Legislation Report

11/18 Revised Investment Strategy Statement

The Chairman invited Paul Tysoe, Investment and Fund Accounting Manager to introduce the report.

Paul Tysoe, Investment and Fund Accounting Manager introduced the report informing the committee of the consultations undertaken throughout the 2017-18 financial year mainly within the information days, where all stakeholders were invited, which covered specific topics within the strategy. The revised strategy contained the outcomes of the consultations. The 2018-19 financial year would conclude the consultation on the strategy, mainly in regard to the asset allocation strategy, where a further revision would be submitted to committee for approval in due course.

RESOLVED that; the Committee approved the Revised Investment Strategy Statement

12/18 Annual Business Plan and Medium Term Strategy

The Chairman invited Mark Whitby, Head of Pensions, to introduce the report. The following points were highlighted;

- Four additional posts would be required within the LGSS Pensions structure in order to deal with additional demand.

In response to points raised by the Committee the Head of Pensions acknowledged the need for staff and Committee member training around risk management. It was noted that the proposed new Communications Officer post was at the higher end of the scale to attract the right calibre.

RESOLVED that; the Committee approve the Annual Business Plan and Medium Term Strategy

13/18 Employers Admissions and Cessations Report

The Chairman invited Cory Blose, Employer Services and Systems Manager, to introduce the report.

No points were highlighted.

**RESOLVED that; a) the Committee notes the admission of the Education for Excellence for All Academy Trust to the Pension Fund; and
b) the Committee notes the admission of Legacy Leisure Limited admission body to the Pension Fund.**

14/18 LGSS Pensions Service Website Demonstration (Verbal item)

The Chairman invited Cory Blose, Employer Services and Systems Manager, to provide the Committee with the LGSS website demonstration.

RESOLVED that; the Committee notes the Pensions Service Website Demonstration

16/18 Urgent Business:

The Committee asked whether the issuing of the Section 114 notice had had any effect on the administration of the Fund. The Head of Pensions advised that there had been no impact on the pension fund bar possible reputational impact. Fund security issues would require further scrutiny, for example, would Government step in if employer contributions were compromised.

There being no further business the meeting ended at 12.10

Chairman's Signature:

Date: