

North Yorkshire Council

Pension Board

Minutes of the meeting of the Pension Board held at County Hall, Northallerton on Thursday 1st August 2024 commencing at 10am.

Present: -

Members of the Board

David Portlock (Independent Chairman).

Employer Representatives:

Councillor Steve Watson (North Yorkshire Council)
Councillor Martin Rowley BEM (City of York Council)
Emma Barber (Askham Bryan College)

Scheme Members:

David Houlgate (Unison)
Sam Thompson (North Yorkshire Council)

Council Officers:

Steve Loach, Phillippa Cockerill, Stuart Cutts, Jo Foster-Wade and Karen Iveson.

In attendance:

Councillor George Jabbour was in attendance.

Copies of all documents considered are in the Minute Book

60. Welcome and apologies for absence

Apologies for absence were submitted by Simon Purcell (Unison). The Chair introduced Karen Iveson, the Assistant Director, Resources, who was attending the meeting for the first time.

61(a) Minutes of the meeting held on 18 April 2024

Resolved –

That the Minutes of the meeting held on 18 April 2024, having been printed and circulated, be taken as read, confirmed as a correct record, and signed by the Chairman, subject to the amendment detailed below:-

Minute No.53 Public Questions or Statements -

“Board members agreed to recommend that fossil fuel investments continue to be actively considered by the Pension Fund Committee.”

Remove “considered” and replace with “reviewed”.

61(b) Progress on Issues Raised by the Board

There had been no further development in relation to the Hymans Good Governance review since the previous meeting. The Chair of the Scheme Advisory Board had contacted the newly appointed Minister and had suggested that the issue should be dealt with as a priority. An update would be reported to the Board as soon as details were available.

There had been no further development in terms of a potential second phase of pooling by the Government and it was unclear as to whether a change in administration would alter that position. It was emphasised that the NYPF was in a good position should this be considered, going forward.

The updating of the Business Continuity/Disaster Recovery Plan was continuing with good progress being made.

The Pensions Regulator’s (TPR) new General Code of Practice was now operational.

Efforts continued to recruit to the Scheme Member and Employer representatives vacancies on the Board with a potential Scheme Member representative being provided with an application pack. Work would continue to recruit to these vacancies.

Resolved -

That the report be noted.

62. Declarations of Interest

There were no declarations of interest.

63. Public Questions or Statements

There were no public questions or statements.

64. Minutes of the Pension Fund Committee held on 24 May 2024 and draft Minutes of the Pension Fund Committee held on 28 June 2024

Considered

The Minutes of the Pension Fund Committee held on 24 May 2024 and draft Minutes of the Pension Fund Committee held on 28 June 2024

Resolved –

That the Minutes and draft Minutes be noted.

65. Draft Annual Report

The Board was provided with an initial draft of the 2023/24 Pension Board Annual Report for consideration, comment and amendment. A final version would then be produced for the October meeting of the Board for approval. The Annual Report will then go to the Pension Fund Committee, the Council's Executive and finally to Full Council for approval as the Administering Authority.

A number of minor errors were identified by members and the Chair stated that he would work with the Clerk to amend these. The amended version would be resubmitted to the October meeting.

Resolved –

That the draft Annual Report be amended in line with the issues raised at the meeting and a final version be submitted to the October meeting of the Board before being submitted to the Pension Fund Committee, the Council's Executive and finally to Full Council for approval.

66. Pension Administration

Phillippa Cockerill, Head of Pensions Administration, provided Members with an update on key initiatives undertaken by the Administration Team of the NYPF. The report included, as an Appendix, the report that was provided to the PFC at their June 2024 meeting.

The following issues were highlighted:-

PFC Report

The PFC report from 28 June 2024 meeting was provided as an Appendix.

A Member of the Board stated that he had been requested to raise the issue of the NYPF's Admissions and Terminations Policy, by Unison, in relation to the offering of incentives to leave the LGPS and the impact that this was having on Funds. It was stated, in response, that exits from the Fund were carried out in accordance with the LGPS Regulations, and that the Actuary carried out all exit calculations. It was stated that any issues relating to the exit regulations should be raised with the Government.

Breaches

There had been no new entries in the breaches log since the previous meeting of the Board.

Annual Benefits Statements (ABS)

The process for the 2024 ABS was well ahead of the position of previous years having been assisted by the number of employers now on i-Connect. As of 26 July, 27,969 active member statements of the 28,654 eligible, had been issued. It was expected that the process would be completed by the end of the month.

Legislation is expected stating that information regarding the McCloud judgement is not required to be included in the 2024 ABS, however, should this not materialise, a reportable breach of the regulations will occur. It was noted that the majority, if not all, of the LGPS funds would find themselves in this position. The possible sanctions

resulting from this could be an investigation or a fine. It was suggested that a further review of this situation should be undertaken at the October meeting of the Board. A complete re-issue of the ABS was untenable due to the impact this would have on resources.

Major projects

The i-Connect project continued to progress, with 196 employers onboarded. The majority of the remaining employers were smaller ones with multiple contracts meaning that quick progress should be made. The target completion date to have all employers onboarded was 31 March 2025.

The TPR General Code of Practice was now in effect, with the AON compliance checker tool being used. A further meeting with AON was planned to help facilitate an action plan and the Board would be updated on progress going forward. The majority of terms of the Code were already in place for the NYPF with just a few areas to firm up on. Training for members of the PFC and Pension Board would be provided in due course.

The McCloud project went live in May. Work was continuing to determine who was within the scope of the judgement and to provide rectification where appropriate. Guidance for this part of the process was currently being provided. Governance documents would be amended to reflect the impact of McCloud.

In relation to updating of the Disaster Recovery Plan, a number of useful meetings had taken place with the Resilience and Emergencies' team. The NYPF had been included within the overall Resilience Plan for the wider Council, with a bespoke plan currently being worked on. An Incident Management Team was now in place to assist with the development of the bespoke plan which was expected to be completed by the end of summer, dependent upon work priorities.

Local Government Pensions Committee (LGPC) Bulletins Log

Details of recent LGPC bulletins, and the response to those, were set out in the report.

It was asked what the current date was for the onboarding of the Pensions' Dashboard. In response it was noted that all Pension Schemes were expected to have this in place by 2026 but the LGPS had to have it in place by the end of October 2025. Follow up work with the ISP was being undertaken with the appropriate LGPS framework.

Draft Statement of Final Accounts 2023/24 – Update

It had been hoped that the Statement would have been published by the end of July, but this was not quite ready. Good progress had been made on the NYPF accounts, however. Work continued to provide the Final Accounts but there was no guaranteed date as to when these would be published, as the reconciliation of the Final Accounts of the eight previous Councils was included within this.

It was asked whether this was having an impact on the Finance Team. In response it was stated that the work was extensive, but the Team was well supported and was managing the work effectively. The main issue was the departure of some of the legacy staff from the previous Councils who held a great deal of knowledge in respect of the respective accounts. The loss of corporate knowledge had been flagged up on the Council's Risk Register

The Council continued to work closely with the External Auditor to support the process each were doing all they can to bring this to a conclusion as soon as possible.

It was noted that there were still outstanding Accounts yet to be signed off for a number of the legacy Councils, including 2022/23 for NYCC, for a variety of reasons, and every effort was being made to address this situation. It was emphasised that some of these would be concluded in the short term whereas others, due to more complex issues, would take much longer. A synopsis of the various outstanding accounts from the relevant legacy Councils was outlined.

Further updates would be provided to the next meeting of the Pension Board.

Resolved –

That the report be noted and the nil return for entries into the breaches log since the previous Board Meeting be welcomed.

57. Internal Audit Reports

Stuart Cutts, Assistant Director – Audit Assurance for Veritau, provided the Pension Board with an update on Internal Audit activity.

Details of the audit plan for 2023/24 were set out in the report with the audits of expenditure, income and investments taking place and reports from those audits expected later in the year. Progress on the audits had been limited due to working to priorities, however it was expected that a draft report on the expenditure aspects would be published later in August, and a meeting would be arranged with the relevant officers to discuss this. The meeting would also be utilised to discuss how to progress the other audits. In terms of a report back to Pension Board on each of the audits it was expected that the October meeting would be too soon, therefore, the January meeting was more realistic.

It was emphasised that the Work Programme for Internal Audits expected during 2025/26 should be provided to the January meeting of the Board, and it was asked whether the current delays would have an impact on next year's programme. It was emphasised that every effort would be made to address the outstanding audits within the relevant time-period so as not to delay the process next year. It was expected that at least one completed report would be available for the October meeting of the Board.

Resolved -

That the report be noted.

68. Annual Review of Dispute Cases and Exercises of Discretion

Phillippa Cockerill, Head of Pensions Administration, provided Members with details of the cases received via the Internal Dispute Resolution Procedure (IDRP) and those cases referred to the Pensions Ombudsman up to 31 March 2024.

There had been 8 IDRP cases between 1 April 2023 and 31 March 2024 with a summary of the resolution for each provided. There had been no referrals to the Ombudsman.

Employer discretions were exercised throughout the year on various issues.

A Member noted that the outcomes had been outstanding for some time for a number of the IDRPs and asked what was delaying these. In response it was noted that further details were awaited to allow a resolution to be provided.

It was asked if there was any further course of action that could be taken by the Scheme Member following the resolution provided. In response the process was outlined which provided for two stages within the IDRPs and, ultimately, referral to the Ombudsman, with a potential for this to be referred back.

Resolved -

That the report, and issues raised, be noted.

69. Training

Members considered the report of the Assistant Chief Executive (Legal and Democratic Services) providing an update on Pension Board member training.

It was requested that Members inform the Clerk of any training they had attended.

It was outlined that a number of Board Members had attended the AON webinar on 27 June 2024 relating to the new General Code of Practice. It was asked if the webinar was available on-line and, if so, whether this could be shared with those unable to attend. It was clarified that this was available and would be shared with Members accordingly.

Resolved -

- (i) That the Hymans Robertson online training package continue to be accessed by Members and reported back accordingly.
- (ii) That Members continue to provide details of any training they wish to be included on their training record:
- (iii) That further consideration be given to identifying training sessions immediately prior to Board Meetings.
- (iv) That the report, and issues raised, be noted.

70. Work Plan

Members considered the report of the Assistant Chief Executive (Legal and Democratic Services) detailing the areas of planned work of the Pension Board for the coming year and providing meeting dates for the Pension Board for 2024/25.

A minor change to the Work Programme would be implemented in relation to the review of the Risk Register, due to take place at this meeting would now be pushed back to the October meeting as the details were unavailable at this time.

The Chair noted that “deep dive” reviews by individual Board Members had been put on hold a number of years earlier due to resource implications in respect of officers’ time. It was stated that the time was still not right for these to recommence, but further consideration would be given to their re-introduction, going forward. In the meantime, any issues of concern could be referred to Veritau to include within their audit programme.

Resolved -

- (i) That the Work Plan, detailed in Appendix 1 to the report and as amended above, be noted.
- (ii) That the dates of ordinary meetings for 2024/25, as detailed in the report be noted as follows:-

Thursdays at 10am

24th October 2024

9th January 2025

3rd April 2025

71. Other Urgent Business

The Chair accepted the following matter as an item of urgent business due to the need for this to be addressed as soon as possible.

Appointment of Substitutes

Councillor Martin Rowley BEM (City of York) stated that he was unlikely to be available for meetings of the Board in 2025 and asked whether he was able to appoint a Substitute to take his place during his period of unavailability. In response it was stated that the current Terms of Reference did not allow for this to take place, but these were reviewed at the January meeting of the Board, each year, and further consideration would be given to this issue at that time.

Resolved –

That this issue be given further consideration at the January meeting of the Board when the Terms of Reference are reviewed.

The meeting concluded at 11.05pm.