

**NORTHUMBERLAND COUNTY COUNCIL PENSION FUND  
Pension Fund Panel Meeting 22 February 2019**

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**NCCPF Annual Employer Meeting**

22 January 2019

**Speakers**

Clare Gorman	<i>Principal Accountant (Pensions) – Project Officer</i>	NCC
Jonathan Teasdale	<i>Partner</i>	AON
Diane Taylor	<i>Operations Team Manager</i>	TWPF

**Officer attendees**

Andrew Lister	<i>Principal Accountant (Pensions)</i>	NCC
Craig Johnson	<i>Senior Accountant (Pensions)</i>	NCC
Andrew Scott	<i>Accounting Assistant (Pensions)</i>	NCC
Lyndsey Davison	<i>Deputy Operations Team Manager</i>	TWPF

**Employer representatives**

Andrew Meikle	<i>Northumberland County Council (HR)</i>
Lorraine Summers	<i>Northumberland County Council (Payroll)</i>
Bev Emmerson	<i>Northumberland County Council (Payroll)</i>
Kim Young	<i>Northumberland County Council (Payroll)</i>
Amber Hume	<i>Northumberland County Council (Payroll)</i>
Sue Taylor	<i>Northumberland County Council (Payroll)</i>
Angela Brindley	<i>Choppington Parish Council</i>
David Nicholson	<i>Choppington Parish Council</i>
Jon Bird	<i>Cramlington Learning Village Academy</i>
Heather Robinson	<i>Emmanuel Schools Foundation</i>
Sarah Sparke	<i>Hadrian Learning Trust</i>
Mark Reid	<i>Karbon Homes</i>
Philippa McIver	<i>Karbon Homes</i>
Peter Hewitson	<i>Karbon Homes</i>
Tracey Bell	<i>Morpeth Town Council</i>
Brian Woollett	<i>North East Learning Trust</i>
Angela Andrews	<i>Northumberland Church of England Academy</i>
Alison Alden	<i>Northumberland Church of England Academy</i>
Katy Armstrong	<i>Northumberland College</i>
Helene Adams	<i>Northumberland National Park Authority</i>
Tracey Craft	<i>Northumberland National Park Authority</i>
Stephen Liddle	<i>Ponteland Academy Trust</i>
Mark Tait	<i>Three Rivers Learning Trust Academy</i>
Tom Nisbet	<i>Wansbeck Homes</i>
Kelly Gardner	<i>Wise Academies</i>
Paul Wright	<i>Wise Academies</i>
Louise Matthews	<i>Wise Academies</i>

**Other attendees**

Sue Dick	<i>NCC LGPS Local Pension Board Member</i>
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Q&As

The table below summarises questions asked by employers at the meeting and the responses given.

Question	Answer
Does the actuary use the same assumptions for the Fund as a whole or are there tailored assumptions for individual employers?	<i>The majority of the assumptions used are the same across all Fund employers. The main exception to this is the discount rate assumption for the two funding groups: orphan and subsumption.</i>
Is Aon the 'decision maker' around assumptions?	<i>The LGPS Regulations require the Fund actuary (i.e. Aon, in this case) to work with the administering authority (i.e. NCCPF) to complete the valuation. The actuary provides the technical input and advice, and the administering authority makes the judgement call on the level of risk to be taken by the Fund at each valuation.</i>
Is it fair to penalise the Fund for the next three years due to (what may turn out to be) short term volatility in asset values over the next few months? How does Aon manage this?	<p><i>The 31 March 2019 valuation will not be finalised until end March 2020, so any short term volatility around 31 March 2019 (due to Brexit?) will be known at that stage.</i></p> <p><i>The discount rate used in the valuation assumes a level of returns consistent with <b>long term</b> investment return expectations. NCCPF's Funding Strategy also allows for some smoothing of short term volatility around the valuation date, in certain circumstances.</i></p>
For implementation of the cost cap mechanism (expected April 2019), what will happen to LGPS members who are currently allocated to Tier 3 ill-health benefits?	<p><i>The detail of how this proposal will work in practice has not yet been provided by MHCLG. The consultation from Government on the LGPS cost cap mechanism is expected shortly.</i></p> <p><i>The proposal is that going forward Tier 3 will be removed from the LGPS, and those members who would have been awarded Tier 3 will instead be awarded Tier 2 ill-health benefits.</i></p>

Feedback summary

Responses from the feedback forms provided at the conclusion of the meeting:

<b>Question</b>	<b>Comments</b>
<b><u>Overall</u></b>	<ul style="list-style-type: none"> <li>• <i>Enjoyable; Practical; Valuable; Useful; Informative; Thought-provoking; Complex; Engaging; Interesting</i></li> </ul>
<b><u>Location and Venue</u></b> Is County Hall, Morpeth convenient for you? Is the 9:45am start time convenient?	<ul style="list-style-type: none"> <li>• <i>All convenient.</i></li> <li>• <i>Both acceptable.</i></li> <li>• <i>Council Chamber an ideal room.</i></li> <li>• <i>Location good, room was very cold.</i></li> <li>• <i>Slightly earlier start time would be better.</i></li> <li>• <i>Convenient, but parking a nightmare.</i></li> </ul>
<b><u>Speakers and Presentations</u></b> Were the speakers clear? Were the presentation and slides helpful?	<ul style="list-style-type: none"> <li>• <i>Yes, clear and concise.</i></li> <li>• <i>Aon very complex, maybe more user friendly in future;</i></li> <li>• <i>Excellent in all respects.</i></li> <li>• <i>Very good and clear.</i></li> <li>• <i>Very clear presentation on some difficult concepts.</i></li> </ul>
<b><u>Content</u></b> Was the content of the meeting useful to you? What else would have been helpful (please be specific)?	<ul style="list-style-type: none"> <li>• <i>Yes, useful and interesting.</i></li> <li>• <i>Helpful.</i></li> <li>• <i>Informative.</i></li> <li>• <i>Relevant and comprehensive.</i></li> <li>• <i>TWPF presentation useful from a payroll perspective, Aon presentation not as relevant for my payroll role;</i></li> <li>• <i>Useful, but an intro booklet for those coming into the public sector from elsewhere would be useful.</i></li> </ul>
<b><u>Other</u></b> Do you have any other comments?	

Overall, the information provided at the meeting was well received and employers understood the implications for them.

There were a number of questions asked by employers after the meeting, including:

- A request for further information on the IDR process;
- A request for a follow up meeting to discuss an employer managing its exit from the Fund over the medium term.

Attendees ***with payroll responsibilities*** were invited to TWPF's annual seminar for employers in South Shields, on **12 February 2019** to discuss 31 March 2019 year end procedures.