Nottinghamshire Local Pensions Board

Annual Review: 1 April 2025 to 31 March 2026

Report of Thulani Molife, chair of the Local Pensions Board 2025/26

Executive summary

This report reviews the activity of Nottinghamshire Local Pensions Board between 1 April 2025 and 31 March 2026 (the 2025/26 scheme year).

Once the Local Pensions Board has considered and approved its annual review, it will be presented to Nottinghamshire Pension Fund Committee and form part of the Fund's Annual Report and Accounts 2025/26.

Purpose and terms of reference of the Local Pensions

Nottinghamshire County Council as the Administering Authority for the Local Government Pension Scheme (LGPS) in Nottinghamshire, has delegated those functions to Nottinghamshire Pension Fund Committee. The Local Pensions Board helps Nottinghamshire Pension Fund Committee ensure that the pension scheme is properly run by:

- Assisting the Administering Authority in securing compliance with pension legislation and regulations
- Ensuring the effective and efficient governance and administration of the pension scheme

Officers working on behalf of Nottinghamshire Pension Fund support the Board.

Board membership

The Board provides a specific forum for both employers and members to be actively involved in the governance of the Fund. It is composed of eight members, four employer representatives and four member representatives. This exceeds the minimum membership required under the LGPS Regulations, which set a minimum of two employer and two member representatives. From a governance perspective, this is positive as it shows a willingness to seek and facilitate both employer and member representation and involvement.

For a prolonged period, there was frequent turnover in the Board's membership while it also carried multiple vacancies. During 2022/23, the Board had five members. This dropped to four members in 2023/24 and through the start of 2024/25. A recruitment exercise in the autumn of 2024, took the number of members to six, which provided much needed resilience and brought new perspectives, skills and experience.

The terms of office of Thulani Molife and Mark Heppenstall were both due to expire in 2025. The Local Pensions Board's code of practice makes provision for the full Council to extend Board members' terms of office on receipt of a recommendation from the Board.

Both Thulani and Mark indicated they would be prepared to continue as members of the Board. The Board recognised the vast knowledge and experience of these two members in a time of changes in Board membership. It also acknowledged the dedication the two members had shown over a prolonged period. The Board therefore made a recommendation to the full council, in line with its Code of Practice, that their terms of office be extended. At its meeting on 22 May 2025, the council agreed to extend their terms of office for a period of up to four years.

Following a period of evolving membership, further changes occurred during the 2025/26 scheme year.

There was a change to the Councillor appointed as representative for Nottinghamshire County Council. Following the election in May 2025, Councillor Wendy Lukacs replaced former Councillor Reg Adair. The Board recognised former Councillor Adair's many years of service to Nottinghamshire Pension Fund, both as a member of Board and Committee, as part of its 2024/25 annual review because it wanted to acknowledge him in a timely way following his retirement.

As there was still a vacancy for a member representative, a note inviting applications was included on the pensioner payslip, which attracted interest. Interviews were held over the summer of 2025, following which Alistair Knox was appointed to fill the final member representative vacancy.

The Board became aware of a planned change to Nottingham City Council's representative. Prior formally replacing Councillor Imran Jalil as Nottingham City Council's representative, Councillor Audra Wynter attended the Board meeting on 19 February 2026 as an observer. Notice of the change to the appointment was subsequently received, and Councillor Wynter's first meeting as a formal member will be 16 April 2025.

The developments in the Board's membership over the past two years have brought fresh experience, skills, and knowledge. This evolution has provided a strength and depth that has not been enjoyed for a number of years, when the number of Board members was at its lowest. As the membership continues to mature, the Board increasingly benefits from the unique perspectives each member brings.

The Board still carries one vacancy for an employer representative, which it will seek to fill in 2026/27. To accommodate this, the Fund will need to target employers that fall into the appropriate category (the Board composition allows for one large and one small employer representative). At present, there is no formal definition of large and small employer included in the Board's Code of Practice. This will be revisited as the Fund produces its new Governance Strategy, which is a requirement of the government's 'Fit for the Future' programme. The existing employer representative will be placed into the appropriate category based on the agreed definition and then, to fill the remaining vacancy, there will be a targeted recruitment exercise amongst employers that fall within the other category.

Knowledge and understanding

Sufficient and effective training and development is required to ensure Board members can properly discharge their responsibilities. Knowledge and understanding requirements for Local Pensions Board members are set out in the Public Service Pensions Act 2013. They were also covered in a module within the Pension Regulator's General Code of Practice, which was published in January 2024 and came into effect in March 2024.

At its meeting on 14 November 2024, Nottinghamshire Pension Fund Committee approved a Training Strategy for the Fund, which set out training requirements for different individuals or bodies, including the Local Pensions Board. The strategy complements the requirements of both legislation and the General Code. It also sets out suggested options for meeting those requirements.

On 13 February 2025, the committee agreed a Training Needs Analysis, which all members of the Board completed during summer 2025. This has provided a baseline level of skills and knowledge for members and has influenced the training to which board members have been given access and the way information is shared during meetings. It has also provided an indication of members' training preferences.

Information on training, including attendance at training events, is reported in the governance section of the Fund's annual report.

New members are sent an induction document, which includes links to give easy access to important Fund documents. They are also asked to complete the modules in the Pension Regulator's public service toolkit. Access has also been provided to Enlighten, a set of online training modules produced by Barnett Waddingham, the Fund's actuary. These modules were also made available to long-standing members. Both platforms offer a variety of modules which provide good coverage of key LGPS issues:

- Conflicts of interest
- Managing risk and internal controls
- Maintaining accurate member data
- Maintaining member contributions
- Providing information to members and others
- Resolving internal disputes
- Reporting breaches of the law
- Background to the LGPS
- LGPS governance
- Information about employers
- Actuarial information
- Triennial valuations
- Introduction to investments

With the number of new members who joined the board in the first half of 2025, the decision was taken to use the date scheduled for Board in July 2025 as a training workshop. The day gave an overview of all areas of the Fund covering administration, investments, and governance. It also included a session on risk management facilitated by Zurich, which had previously supported the fund in reviewing its risk management arrangements, including the risk register.

During Board meetings, agenda items were included which served to brief members and provide training input on different elements of the administration function. The rolling programme, which began in 2024/25 has included sessions on:

- Pension systems team (October 2024)
- Employer support and compliance team (January 2025)
- Technical and regulations team (April 2025)
- Pensions administration team (October 2025)
- Pensions dashboard programme (October 2025)

Two members of the Board had the opportunity to attend conferences in 2025/26.

Kay Thomason-Vardy attended the Pensions and Lifetime Savings Association (now Pensions UK) Local Authority Conference in June 2025. Key themes during conference sessions included the changing landscape of local government following the elections in May 2025; the emerging Pension Schemes Bill, asset pooling and local investment; cyber; the impact of technology; good governance and responsible investment.

Thulani Molife, the Chair of the Board, attended the LGPS Governance Conference, which took place on 29 and 30 January 2026. Many of the conference sessions referred to the implementation of the government's 'Fit for the Future' programme. It also included sessions on the pensions dashboards programme, pensions administration, cyber, a legal update, an update from the Pensions Ombudsman, local government reorganisation and being an effective committee and board member.

The training strategy and training needs analysis are due to be reviewed in 2026/27. This will be completed once the knowledge and understanding guidance stemming from the government's 'Fit for the Future' programme has been published. The guidance is expected to identify key areas of skills and knowledge that are required of individuals with various roles in the Fund. The anticipated guidance on Independent Governance Reviews is expected to provide further contextual information which will support the fund in developing its framework for assessing and addressing knowledge and understanding requirements.

The Chair of the Board

At the first meeting of each municipal year, the Board elects a Chair from its membership. On 2 October 2025, the Board elected Thulani Molife, a member representative who has served on the Board since 2016, as its Chair for 2025/26.

Support provided to the Local Pensions Board

Officers working across pensions administration, investments and governance have supported the Board during 2025/26, providing reports and updates at both public meetings and pre-agenda meetings.

During the first part of the scheme year, the Board had access to an independent adviser; John Raisin Financial Services Limited (JRFS) had served as adviser to the Board since 2015 until the expiration of the contract in June 2025. The Board acknowledged the contribution made by John Raisin, a Director of JRFS in its 2024/25 Annual Review, since his final meeting took place in April 2025, but would like to take this opportunity to reiterate its appreciation.

While the Fund began the process which would lead to the appointment of a new adviser to take over from the end of the contract with JRFS, it decided to end that process to get an understanding of the needs of the new Board membership and the changing shape of LGPS governance arising from the ‘Fit for the Future’ programme. The view was taken that the proposals could lead to a shift in the way the Board operates and its needs in respect of support. It may also provide opportunities for the Independent Person to support the Local Pensions Board as well as members of Nottinghamshire Pension Fund Committee and the Senior LGPS Officer.

Board business

The agenda items considered at each Board meeting held during the Scheme year are shown in the following table:

	3 Apr 2025	2 Oct 2025	19 Feb 2026
Election of Chair / membership matters	✓		
Minutes	✓	✓	✓
Apologies for absence	✓	✓	✓
Declarations of interest by members and officers	✓	✓	✓
Work programme	✓	✓	✓
Risk management (including the risk register and risk deep dives)	✓	✓	✓
LGPS updates	✓		✓
Local Pensions Board Annual Review		✓	
Pensions administration team presentation	✓	✓	
Pension Regulator’s General Code of Practice – compliance update		✓	
Draft Nottinghamshire Pension Fund Annual Report 2024/25		✓	
Funding Strategy Statement engagement plan		✓	
National Pension Dashboard Programme		✓	
Pensions Administration Performance report 2024/25			✓
Breaches Policy / Breaches log			✓
Pensions administration privacy notice and retention schedule			✓

Below is an overview of significant items considered by the Board during the year.

LGPS updates

LGPS updates were provided by both the Adviser to the Local Pensions Board and the fund officers. Issues covered in the LGPS updates included:

- Emerging ‘Fit for the Future’ requirements affecting asset pools
- The potential separation of pension fund accounts from local authority accounts through a programme of local audit reform
- Updated Funding Strategy Statement guidance
- Key messages shared with Funds in communications from the Chair of the Scheme Advisory Board
- The consultation on the Local Government Pension Scheme in England and Wales: Scheme improvements (access and protections), including the Fund’s response, which covered:
    - Amending the normal minimum pension age to reflect legislative changes
    - Simplifying the process for applications for directions
    - Applying new Fair Deal protections to outsourced workers
    - Bringing pension fund access to mayors and councillors in England
- The consultation on the Local Government Pension Scheme in England and Wales: Fit for the Future – technical consultation, including the Fund’s response, which covered two sets of draft regulations that would implement the pooling, local investment, and governance programmes
- The government’s consultation and response on the Local Government Pension Scheme in England and Wales: Access and Fairness, including implementation arrangements, which covered:
    - Survivor benefits and death grants
    - Gender pension gap (unpaid absences)
    - Gender pension gap and opt-out reporting
    - McCloud
    - The lifetime allowance
    - Including combined county authorities and scheme employers
    - Forfeiture

These reports provide a useful tool to support the Board in identifying emerging issues that will shape its agenda or be key considerations in the coming year.

Pension administration team presentations

At its meeting on 3 April 2025, the Board considered the third presentation in its pensions administration series. This session provided an overview of the Technical and Regulations Team, its role, purpose, and responsibilities, which included:

- Providing technical and regulatory support
- Interrogation and analysis of Civica Universal Pension Management (UPM) system to ensure benefits are calculated in line with LGPS Regulations
- System testing and data extraction

- Complaints handling
- Managing annual allowance and lump sum allowance processes
- Supporting regional collaboration
- Managing the upkeep of communications material

The Board was given an opportunity to ask questions, which covered topics including transfers of benefits and in-built protections, annual benefit statements and preventing fraud, data accuracy, scheme member engagement and channel shift to digital platforms.

On 2 October 2025, the Board received the final service overview in the series, which was delivered by the pensions administration team. The presentation explained the role and purpose of the team in detail. Board members were then able to ask questions about the service. Topics of particular interest were:

- Telephone enquiries and the anticipated amount of time it takes to reply to queries that could not be resolved at first point of contact
- Civica UPM and the project underway to move it to a cloud-based hosting arrangement
- Arrangements for complaint handling, including the internal dispute resolution procedure and making appeals to the Pensions Ombudsman
- Materials and support available to scheme members to assist them with pensions matters

Pensions administration performance report

Building on the programme of presentations that gave board members an overview of the work undertaken by the teams that make up the pensions administration service, Board members reviewed the pension administration annual report for 2024/25. The report summarised:

- Key activities and projects undertaken by the pensions administration function
- Resourcing of the different teams of which pensions administration is composed
- Benchmarking information
- Data quality improvement activity
- Fund membership information
- Scheme employer statistics, including lists of in-year admissions and exits
- Complaints and internal dispute resolution procedure appeals
- Civica UPM
- The Employer Support and Compliance function
- Issuing of annual benefit statements

- Fund performance against key indicators
- Changes in mortality rates

General Code of Practice compliance update

Following the Pension Regulator's General Code of Practice coming into force on 27 March 2024, the Fund commissioned Barnett Waddingham to undertake a reverse gap analysis to assess its compliance. The reverse gap analysis also covered the recommendations made by the Scheme Advisory Board in its good governance review, which were published in 2021. From this assessment, the Fund produced an action plan, which was shared with the Board on 9 January 2025. A follow up report, presented on 2 October 2025, updated members on the progress that had been made implementing the action plan. This gave the Board an opportunity to ask any questions or seek any further assurance before noting the completed actions.

Draft Nottinghamshire Pension Fund Annual Report 2024/25

Under the LGPS Regulations 2013, it is a statutory requirement for Funds to produce an Annual Report and Accounts, which must be published by 1 December following the Scheme year end. New guidance on producing annual reports was published on 28 March 2024. While the guidance was first used in preparing the Fund's 2023/24 Annual Report, the time at which it was issued meant compliance was on a best endeavours basis. The Annual Report for 2024/25 was the first occasion when the new guidance had to be complied with fully.

The updated guidance states that, as part of its remit, the Local Pensions Board should review the annual report prior to its publication. To this end, a draft version of the Annual Report was shared with the Board at its meeting on 2 October 2025.

Board members asked a number of questions, which covered investment and financial performance. Following consideration, the Board recommended that the committee made arrangements whereby the Chair could approve the final version of the Annual Report and Accounts, enabling its publication in accordance with regulatory requirements.

Funding Strategy Statement Engagement Plan

Regulations require Administering Authorities publish a Funding Strategy Statement (FSS) outlining how employer contribution rates are set. The FSS plays an integral role in setting out the Fund's approach to managing long-term funding requirements and funding risk in the LGPS whilst enabling stability and sustainability for participating scheme employers. To support Funds in preparing their FSS, the Scheme Advisory Board published updated guidance at the end of January 2025.

The updated guidance required that, when reviewing and developing their FSS, Funds must consult key parties who input into or may have an interest in the funding issues of the pension fund.

The draft engagement plan was shared with the Local Pensions Board as part of its duty to assist in the oversight of governance and administration. The Board did not request any additions or amendments in respect of the engagement plan, which was subsequently approved by Nottinghamshire Pension Fund Committee at its meeting on 13 November 2025.

Once the consultation began on 14 November 2025, a copy of the draft Funding Strategy Statement was shared with Board members, who were invited, along with any other stakeholders, to make comments or ask any questions.

National Pensions Dashboard Programme

The national pensions dashboard programme was a significant national project in which the Fund was involved. The agenda for the Board's meeting on 2 October 2025 included a comprehensive overview of the programme and the steps the Fund was taking.

During the session, Board members explored a range of topics including:

- Delivery timelines
- The oversight roles of the Department for Work and Pensions and the Pensions Regulator
- Resource implications of delivery
- Work to improve data quality to assist in implementing the programme, including a mortality screening pilot
- Measures in place to protect the security of the data
- The way the dashboard would operate once implemented
- National testing to check dashboard usability and identify areas for improvement prior to the 'go live' date, of which the Fund would receive 6-months' notice

Board members asked how dashboards would look to users and asked for a practical demonstration when it became feasible to provide one.

Breaches

Part of the Board's role is supporting Nottinghamshire Pension Fund Committee in complying with pension laws and regulations and the efficient and effective governance and administration of the pension fund. In carrying out this element of its role, a report was presented to the Board with the updated Breaches Policy. This policy had been subject to periodic review and approved by Nottinghamshire Pension Fund Committee at its meeting on 12 February 2026. Presenting this report provided a timely opportunity to ensure that Board members are aware of the Fund's arrangements for dealing with Breaches of the law. The training needs analysis completed in 2025 identified breaches of the law as a topic on which Board members required additional knowledge and understanding.

The report also included an update on two items which had been added to the Fund's breaches log, which gave an illustration of how the policy was being implemented.

Risk management

During 2024/25 the Fund carried out a comprehensive review of its risk management arrangements. This culminated in the approval of an updated risk management strategy in December 2024 and the Board getting first sight of the revised risk register at its meeting in January 2025.

The Board's meeting on 3 April 2025 provided an opportunity for it to review the risk register and carry out its first risk deep dive, which focused on cyber risk. The deep dive provided a chance for Board members to consider the current threat landscape in respect of cyber risk, the potential impacts of the risks, measures the Fund already had in place to reduce the likelihood or impact of a cyber event and planned activities to further build resilience.

Board members also had an opportunity to select a topic for their next risk deep dive; they selected pension scams, which was presented alongside the risk register at the meeting on 2 October 2025. The Board had an opportunity to review the changes that had been made to the risk register since its last meeting as well as explore the measures the Fund had in place to help reduce the likelihood and impact of pension scams. The deep dive covered both scams that might be experienced by members of the Fund, and scams and fraudulent activity that could be targeted at the Fund itself.

Since the Board had taken assurance from its reviews of the risk register, it decided not to select an issue for deep dive at its meeting on 19 February 2026. Instead, it focused on the risk register itself. Topics of particular interest were risks around the pooling of assets and the implementation of the 'Fit for the Future' programme, and the impact of unexpected periods of high inflation increasing the Fund's liabilities. As a result of that conversation, Board members requested an update from LGPS Central on the steps it was taking to implement pooling, including the impact of integrating new Funds into the pool. This would be added to the agenda of a future meeting.

At its meeting on 19 February 2026, Board members also noted the updated Risk Management Strategy. This had been subject to review and was approved by Nottinghamshire Pension Fund Committee at its meeting on 12 February 2026. Sharing the updated strategy ensures the board is able to effectively carry out its role supporting Nottinghamshire Pension Fund Committee in complying with pensions laws and regulations and the efficient and effective governance and administration of the Fund. In line with this, risk remains a standing item on the agenda for all Local Pensions Board meetings.

Conclusion and going forwards

The Nottinghamshire Pension Fund operates within the overall regulatory framework as defined by the LGPS Regulations, associated statutory guidance and other overriding legislation, and other recommended principles of best practice. The reports provided to the Board during 2025/26 gave it assurance the Fund was complying with requirements.

The Board would like to take this opportunity to express its gratitude to Councillor Imran Jalil, who had served on the Board for a number of years as Nottingham City Council's representative. During this time, Councillor Jalil's ongoing commitment helped give the Board stability, while his skills and knowledge brought valuable insight to its discussions. The Board is grateful for his contribution.

It is anticipated that the role of the Board will become increasingly important as the Fund implements the 'Fit for the Future' programme. The Board can provide particular value supporting the Fund in preparing for the required independent governance reviews. It is expected that the Board will shape its future work programme using the requirements for the independent governance reviews. This will ensure that the knowledge, skills, and expertise of the Board can be used in a meaningful and constructive way. It is also hoped that changing shape of the role of the Board will provide more structure and give members an opportunity for further development, gaining additional knowledge and skills, and increasing the satisfaction they experience.

It is hoped that the developing role of the board will make it attractive to prospective members, in turn helping it reach and maintain full strength.

Local Government reorganisation is also on the horizon, and will carry implications for the pension fund. This will be something on which the Board can reflect as it carries out its transformation work.

This is an interesting time to be involved in the LGPS, and 2026/27 will be another busy year, with transformation affecting investments, administration, and governance. The Board will support Nottinghamshire Pension Fund Committee and the Administering Authority to ensure that the Fund is best placed to meet all new and updated requirements in 2026/27.