

## **Lancashire Local Pension Board**

**Minutes of the Meeting held on Tuesday, 24th April, 2018 at 2.00 pm in Room CHG:04 - A Floor, County Hall, Preston**

### **Present:**

#### **Chair**

William Bourne

#### **Committee Members**

County Councillor Christian Wakeford, Employer representative - LCC  
Steve Thompson, Employer representative - Unitary, City, Boroughs, Police and Fire  
Kathryn Haigh, Scheme Member representative  
Yvonne Moulton, Scheme Member representative  
Bob Harvey, Scheme Member representative

#### **Also in attendance**

Abbi Leech, Head of Fund, LCPF, Lancashire County Council.  
Mukhtar Master, Governance & Risk Officer, LCPF, Lancashire County Council.  
Mike Neville, Senior Democratic Services Officer, Lancashire County Council.  
Greg Smith, Director of Strategic Programmes and Group Company Secretary, Local Pension Partnership.  
Robert Branagh, Managing Director, London Pension Fund Authority (as an observer).

### **1. Apologies**

Apologies for absence were received from Mr T Pounder (employer representative for Lancashire County Council).

### **2. Disclosure of Pecuniary and Non-Pecuniary Interests**

No declarations of interest were made in respect of items appearing on the agenda.

### **3. Minutes of the Meeting held on the 16th January 2018**

It was noted that information on HMRC annual allowances and a copy of the draft Pensions Administration Strategy Statement had been circulated to members of the Board following the last meeting.

**Resolved:** That the Minutes of the meeting held on the 16<sup>th</sup> January 2018 are confirmed as an accurate record and signed by the Chair.

The Chair informed the meeting that he would take items 14 and 8 as the next items of business in order that Mr Smith, the Director of Strategic Programmes and Group Company Secretary from the Local Pension Partnership, could take part in

discussions before leaving the meeting due to another commitment. As item 14 contained exempt information the Board noted it would be necessary to exclude the press and public during consideration of that item.

#### **4. Exclusion of the Press and Public**

**Resolved:** That the press and public be excluded from the meeting during consideration of the next item of business on the grounds that there would be a likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972, as indicated against the heading of the item. It is considered that in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information

#### **5. The Local Pension Partnership Governance review**

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information).

A report was presented on the findings of an independent governance review of the Local Pensions Partnership (LPP) which had concluded that the overall corporate structure of LPP was appropriate. In considering the report the Board also the ongoing pension administration transformation process and the performance of the Helpdesk in relation to call handling.

**Resolved:**

1. That the findings of the independent governance review of the Local Pensions Partnership, as set out in the report presented, are noted.
2. That further detailed information be presented to the next meeting in relation to the performance of the Helpdesk against established KPIs during April, May and June 2018.

#### **6. Lancashire County Pension Fund - Breaches Log**

The Board considered a report which summarised the Lancashire County Pension Fund Breaches Log and noted that for the period 1<sup>st</sup> January to 31<sup>st</sup> March 2018 there had been a total of 54 breaches regarding contribution payments from employers, none of which were deemed as being material breaches. It was noted that the majority of breaches related to one off late payments and the Fund was continuing to work with employers to minimise the possibility of similar breaches in the future.

**Resolved:** That the report is noted and that detailed information regarding future reported breaches be presented to the Board on a quarterly basis.

#### **7. Membership and Terms of Reference of the Lancashire Local Pension Board**

It was reported that since the last meeting the County Council had appointed Mr T Pounder, the Director of Adult Services, as the Lancashire County Council employer representative on the Board and had amended the Terms of Reference in relation to Scheme Member representatives.

It was reported that the membership of the LCPF had been informed by email of the vacancy for a scheme member representative and asked to submit expressions of interest. A number of good quality applications had been received and the shortlisted candidates had been interviewed on the morning of the 24<sup>th</sup> April. It was noted that once formally appointed the successful candidate would be given an induction into the role of the Board and provided with dates for future meetings.

**Resolved:**

1. That the appointment of Mr T Pounder, Director of Adult Services, as the Lancashire County Council employer representative on the Board is noted.
2. That the amendment of the Terms of Reference for the Board so that Scheme Member representatives are appointed to represent all active, pensioner and deferred members rather than individual groups is noted.
3. That members of the Board be advised once an appointment has been made to fill the vacancy for a Scheme Member representative.

**8. Chairs report on the Lancashire Local Pension Board Appraisal**

The Chair presented his report on the findings of the series of one to one meetings with individual members of the Board and Officers in relation to the operation of the Board over the last 12 months.

With regard to the recommendations set out in the report it was noted that the Terms of Reference of the Board had been amended to refer to scheme member representatives as reported earlier in the meeting. The proposal for individual members of the Board to take the lead on discussions around specific areas of work was welcomed, though it was felt that all members should be responsible for ensuring the Fund complied with regulations and statutory guidance.

The recommendations regarding training were discussed and the Chair reported that he had been invited to attend the Annual General Meeting for the LCPF on the 19<sup>th</sup> June 2018 to give a presentation on the role of the Board.

**Resolved:**

1. That the review and subsequent amendment of the Terms of Reference of the Board in relation to the scheme member representatives is noted.
2. That the activities of the Board be divided into areas and initially allocated to the members of the Board set out in the table below who will take responsibility for leading discussions on those areas in the future.

Area	Leads
Compliance with regulations and statutory guidance (including The Pensions Regulator and LGPS regulations).	All Board members
Communications (including communications policy, engagement).	Y Moulton & C Gibson
Administration (including KPIs, ABSs, and administration breaches)	Y Moulton & S Thompson
Information Technology (including Fraud Control, Data Protection, Cyber security)	C Wakeford & the Chair
Investment strategy (including Investment Strategy Statement, Actuarial report and Responsible Investment).	R Harvey & S Thompson
Service providers governance (including LPP, custodian and audit)	C Wakeford & R Harvey
Risk Register	C Gibson & S Thompson

3. That arrangements be made for training regarding the role of the Pension Board to be made available to members of the Pension Fund Committee and newly appointed members of the Board at the briefing ahead of the Committee on the 8<sup>th</sup> June 2018.
4. That arrangements be made for members of the Board be given specific training on record-keeping and reporting breaches of law at a future internal training workshop.
5. That regular articles on the activity of the Pension Board be produced for circulation via Employer/Member newsletters or other communications.

## **9. Lancashire County Pension Fund - Regulatory Update**

The Board received an update on various regulations which affected the Lancashire County Pension Fund, including the following;

- The HM Treasury consultation on indexation and equalisation of GMP in public service pension schemes.
- The transfer of the Pensions Advisory Service dispute function to The Pensions Ombudsman.
- The Scheme Advisory Board 50/50 section awareness project.

The Board also discussed the quality of information that was circulated to employers and it was agreed that in future more detailed information should be provided, particularly with regard to highlighting changes that would have an impact on employers and any changes to processes that may be required as a result

### **Resolved:**

1. That the provision of more detailed information to employers in relation to highlighting changes that would have an impact on them and any changes to

processes that may be required as a result be discussed further with the Local Pensions Partnership Communications Team outside of the meeting.

2. That Ms J Wigg, Engagement Manager at the Local Pensions Partnership, be invited to attend a future meeting of the Board to discuss communications.

#### **10. Lancashire Local Pension Board Work Plan 2018/19**

The Board considered a report on the Work Plan for 2018/19 which had been amended in accordance with the comments of the Board at the previous meeting.

**Resolved:** That the amended 2018/19 Work Plan, as set out in Appendix 'A' to the report presented, is approved.

#### **11. Feedback from members of the Board on pension related training, conferences and events.**

Individual members of the Board gave feedback on training workshops which they had attended since the last meeting and it was agreed that the workshops on Pension Law/Regulations and the Property Investment Portfolio had been well presented and informative.

The Board also agreed that where possible future internal workshops should be recorded and made available to members of the Committee/Board who were unable to attend so that they could also benefit from the training provided.

The Chair informed the meeting that he had attended the Scheme Advisory Board Cross Pool Forum on the 27<sup>th</sup> March 2018 with the Chairs of other Pension Boards and LGPS Pension Committees and highlighted the key points which had been discussed.

#### **Resolved:**

1. That the report and feedback from members of the Board is noted.
2. That arrangements be made for future internal training workshops to be recorded and made available to members of the Pension Fund Committee and Pension Board to view after the event.

#### **12. Part I reports from the last Pension Fund Committee**

The Head of Fund updated the Board on discussions and decisions from the most recent meeting of the Pension Fund Committee in relation to Part I items on the agenda.

It was reported that the Committee had approved the Responsible Investment Policy but had referred the draft Climate Change Policy to the RI Working Group for further consideration and had approved a revised Training Policy which also applied to the Board.

**Resolved:** That the reports considered under Part I of the agenda at the Pension Fund Committee on the 23<sup>rd</sup> March 2018 and decisions taken are noted.

### **13. Urgent Business**

No items of urgent business were raised under this heading.

### **14. Date of Next Meeting and approval of dates for two meetings in 2019**

The Board noted that the next scheduled meeting would be held at 2pm on the 3<sup>rd</sup> July 2018 in Room CHG 04 at County Hall, Preston.

It was reported that as no meetings were arranged after October 2018 it was proposed to hold meetings be held at 2pm on the 29<sup>th</sup> January 2019 and 30<sup>th</sup> April 2019 in Room CHG: 05 at County Hall, Preston and that consideration would be given in due course to establishing a programme of meetings for 2019/20.

**Resolved:** That additional meetings of the Board be held at 2pm on the 29<sup>th</sup> January 2019 and the 30<sup>th</sup> April 2019 in Room CHG: 05 at County Hall, Preston.

### **15. Exclusion of Press and Public**

**Resolved:** That the press and public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12A to the Local Government Act, 1972, as indicated against the heading of each item. It is considered that in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information

### **16. Part II reports from the last Pension Fund Committee**

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information).

The Head of Fund updated the Board on discussions and decisions taken at the Pension Fund Committee on the 23<sup>rd</sup> March 2018 in relation to items in Part II of the agenda. The Board discussed the current economic climate and the resulting pressures on employers and noted that the Head of Fund intended to engage with employers later in the year to discuss contributions in order to assist them with future budget planning.

**Resolved:**

1. That the updates regarding reports considered under Part II of the agenda at the Pension Fund Committee on the 23<sup>rd</sup> March 2018 and the decisions taken are noted.

2. That the proposed early engagement by the Head of Fund with employers in relation to discussing future contributions is welcomed.

## **17. Review of the Local Pensions Partnership**

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information).

The Board considered a report regarding the proposed independent external review of the effectiveness of the Local Pensions Partnership and the suggested scope of the review.

**Resolved:** That the scope of the proposed independent external review of the Local Pensions Partnership, as set out in the report presented, is approved.

## **18. Lancashire County Pension Fund - Risk Register**

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information).

The Board considered a report on the updated Risk Register for the Lancashire County Pension Fund and agreed that in the future 'data protection' and 'cyber security' should be identified as separate risks. It was also noted that the Head of Fund would work with LPFA in order to ensure that the Risk Registers of each Fund are aligned.

### **Resolved:**

1. That the updated Risk Register for the LCPF, as set out at Appendix 'A' to the report presented, is noted.
2. That in future data protection and cyber security be identified as separate risks within the Risk Register

L Sales  
Director of Corporate  
Services

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