

## **Lancashire Local Pension Board**

**Minutes of the Meeting held on Tuesday, 14th January, 2020 at 2.00 pm in Meeting Room CHG:04 - A Floor, County Hall, Preston.**

### **Present:**

#### **Chair**

William Bourne

#### **Board Members**

Tony Pounder, Employer representative - LCC

Steve Thompson, Employer representative - Unitary, City, Boroughs, Police and Fire

Carl Gibson, Employer representative - Other Employers

Kathryn Haigh, Scheme Member representative

Yvonne Moulton, Scheme Member representative

Deborah Parker, Scheme Member representative.

#### **Officers**

Abbi Leech, Head of Pension Fund, Lancashire County Council.

Colin Smith, Technical Adviser Pensions, Lancashire County Council.

Mukhtar Master, Governance & Risk Officer, Lancashire County Council.

Mike Neville, Senior Democratic Services Officer, Lancashire County Council.

Jo Darbyshire, Director of Administration, Local Pensions Partnership.

### **1. Apologies**

Apologies for absence were received from Mr K Wallbank and County Councillor P Britcliffe.

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

No declarations of interest were made at this point in the meeting with regard to items on the agenda.

### **3. Minutes of the last meeting**

It was noted that the draft Communications Policy for the Fund and the Local Pension Partnership Strategic Plan would be presented to the Pension Fund Committee on the 7th February 2020 as the meeting in November had been cancelled following the announcement of the General Election.

With regard to the number of members of the Fund had asked for information to be sent to them through the post it was reported that 3,616 requests had been received, representing 2% of the total membership (176,476) at 31st March 2019. Information regarding numbers of new members and those who had chosen to opt out of the LGPS had been circulated to Board members since the last meeting. The Board noted that over the last 5 years there had been a gradual reduction in the number of

members who had opted out of the scheme which was similar to the average rate of other LGPS funds in England and Wales.

The Head of Fund informed the meeting that officers were working with the Local Pensions Partnership to develop a Governance Charter which would address the request for a briefing on the on the responsibilities of shareholders and role/structure of the Partnership made at the last meeting.

**Resolved:**

1. That the updates given at the meeting are noted and the Minutes of the meeting held on the 15th October 2019 are confirmed as an accurate record and signed by the Chair.
2. That a report on the Governance Charter for the Local Pensions Partnership be presented to a future meeting of the Board in response to the request for a briefing on the role/structure of the Partnership made at the meeting on the 15<sup>th</sup> October, 2019.

**4. Regulatory Update**

Mr Smith, Technical Adviser (Pensions) presented a report which updated the Board on the following pension regulatory issues.

- a) An expected consultation on proposed changes to the Local Government Pension Scheme in response to the McCloud judgement
- b) The publication of statistics for 2018/19 regarding income, expenditure, membership, retirements and other activities within the Local Government Pension Scheme in England and Wales which generally reflected the position in the Lancashire Fund.
- c) The production of seven 'Pensions Made Simple' videos by the Local Government Association.
- d) The amendment of the Local Government Pension Scheme regulations to introduce survivor benefits payable to opposite-sex couples in civil partnerships.
- e) Draft statutory guidance for the Local Government Pension Scheme in relation to survivor benefits.
- f) Updates on consultations by the Ministry of Housing, Communities and Local Government regarding
  - The Fair Deal
  - The introduction of provisions for an exit payments cap
  - The local valuation cycle and the management of employer risk

**Resolved:** That the updates on regulatory matters, as set out in the report presented and given at the meeting, are noted.

**5. Draft Funding Strategy Statement**

A report was presented on the draft Funding Strategy Statement which the Lancashire County Pension Fund is required to produce under the terms of the Local Government Pension Scheme Regulations.

In considering the report the Board recognised that the draft Statement was both comprehensive and applicable to the different types and size of employer within the Lancashire County Pension Fund. It was noted that all interested parties were being consulted on the draft Statement with a deadline for receipt of comments of the 31st January 2020. An updated draft would then be presented to the Pension Fund Committee on the 7th February 2020 with a final version of the Statement being presented for approval at the meeting on 6th March 2020.

**Resolved:** That individual members of the Board forward any specific comments they may have on the draft Funding Strategy Statement to the Head of the Pension Fund before the 31st January, 2020, so that they can be taken into account when finalising the Statement before it is submitted to the Pension Fund Committee for approval.

## **6. Lancashire County Pension Fund Compliance with the Pension Regulator Requirements**

Mr Master, the Governance & Risk Officer, presented a report on the updated Compliance Statement for the Lancashire County Pension Fund and confirmed that overall compliance against the Code of Practice 14 was good. He also reminded the members of the Board that the next internal pensions workshop on the 22<sup>nd</sup> January 2020 would look at the work of the Pension Regulator.

**Resolved:** That the revised Compliance Statement for the Lancashire County Pension Fund, as set out at Appendix 'A' to the report presented, is approved

## **7. 'Good Governance in the LGPS' Project Update**

A report was presented on the most recent update with regard to the Scheme Advisory Board's 'Good Governance in the LGPS' project, which included recommendations covering areas such as conflicts of interest, representation, skills/training and compliance/improvement.

The Chair identified a number of recommendations in the Appendix where the Board would be able to provide valuable input and it was acknowledged that measures were already place in relation to some other recommendations. It was noted that in due course Officers would review any firm proposals agreed by the Scheme Advisory Board against existing governance arrangements for the Fund ahead of the publication of any statutory guidance.

**Resolved:**

1. That the recommendations set out in the November 2019 report by the Scheme Advisory Board regarding Phase II of the 'Good Governance in the LGPS' project are noted.
2. That the current governance arrangements of the Fund be reviewed against any statutory guidance issued by the Ministry for Housing, Communities and Local

Government and a further report presented to a future meeting of the Board before any recommended changes are referred to the Pension Fund Committee.

## **8. Review of the Terms of Reference of the Board.**

Mr Neville, Senior Democratic Services Officer, reported that in accordance with the 2019/20 Work Plan the Terms of Reference of the Board had been reviewed.

The Board discussed the various proposed amendments to the Terms of Reference, as set out in the Appendix to the report, particularly with regard to the role of the Chair, the budget allocated to the Board, the quorum for meetings and the reimbursement of employers regarding time spent by employees in fulfilling their duties as members of the Board.

Following the discussion it was agreed that further work be done on some sections of the Terms of Reference and that a revised version be shared with all members of the Board outside of the meeting.

**Resolved:** That a revised version of the Terms of Reference be circulated to all members of the Board outside of the meeting for review and comment so that a final draft can be presented to the Pension Fund Committee on the 6<sup>th</sup> March 2020 for consideration.

## **9. Lancashire Local Pension Board Workplan 2020/21**

A number of amendments/additions were suggested in relation to the proposed 2020/21 work plan for the Board and the Head of the Pension Fund undertook to update the draft work plan and circulated it to all Board members outside of the meeting for comment so that a final version could be presented to the Pension Fund Committee for information.

**Resolved:** That the Head of the Pension Fund update the draft 2020/21 work plan to take account of the comments made at the meeting and circulate a revised version to all members of the Board for comment so that a final version can be agreed and presented to a future Pension Fund Committee for information.

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

Mr Pounder reported that he had found the Fundamentals Training Programme he attended to be helpful with regard to his understanding of pensions and recommended the programme for any future new members of the Board. Mrs Haigh reported that the internal workshop on the role of the Local Authority Pensions Fund Forum had been interesting, though some aspects had been too detailed and Ms Moulton informed the Board that the Practitioners Conference in November 2019 had been informative and included some useful presentations.

The Head of the Pension Fund reported that feedback on external conferences/internal workshops was used to shape the future programme of training

for members of the Board both in terms of subject matter and identifying those events which were considered the most beneficial.

**Resolved:** That the feedback given at the meeting in relation to the training received by members of the Board since the last meeting is noted.

#### **11. Urgent Business**

No items of business were raised under this item.

#### **12. 2020/21 Programme of Meetings.**

It was reported that in October 2019 the full council had approved a programme of meetings for its Cabinet and Committees (including the Pension Fund Committee) up to March 2021. Consideration has been given to an associated programme of meetings for the Lancashire Local Pension Board and, after consulting with the Chair and the Head of Fund, a set of proposed dates had been agreed which had subsequently been shared with the members of the Board.

**Resolved:** That the 2020/21 programme of meetings for the Board is approved with meetings to be held at 2.00pm in Exchange Room 6 on the 4th Floor of County Hall at Preston on the following dates.

Tuesday 14<sup>th</sup> July 2020.

Tuesday 13<sup>th</sup> October 2020.

Tuesday 19<sup>th</sup> January 2021.

Tuesday 20<sup>th</sup> April 2021.

#### **13. Date of Next Meeting**

It was noted that the next scheduled meeting of the Board would be held at 2pm on the 21<sup>st</sup> April 2020 in Meeting Room CHG: 04 at County Hall, Preston.

#### **14. 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 paragraphs of Part I of Schedule 12A to the Local Government Act 1972, as indicated on 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.

The Chair informed the meeting that he would take item 16 as the next item of business as Jo Darbyshire, the Director of Administration at the Local Pensions Partnership had arrived.

#### **15. Local Pensions Partnership Administration update**

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12 A of the Local Government Act 1972. It was considered that in all the circumstances of the

case the public interests in maintaining the exemption outweighed the public interest in disclosing the information).

Jo Darbyshire, the Director of Administration from the Local Pensions Partnership presented her performance update report and informed the Board that the pension administration service continued to improve and meet the agreed service levels.

The Board discussed action taken in relation to staffing levels, data breaches and the recovery of under/overpayments and noted that whilst the transformation process had not yet achieved all of the intended aims the experience gained to date would be taken into account when considering implementing new systems/processes in the future in order to achieve further efficiencies.

**Resolved:** That the report be noted and the Director of Administration and her colleagues at the Local Pensions Partnership congratulated on the progress to date in relation to improving the standard of the pension administration service.

Jo Darbyshire left the meeting at this point.

#### **16. Breaches reported to Pension Fund Committee since the last meeting**

It was reported that as no information relating to breaches was available for presentation at the meeting details would be circulated to members of the Board outside of the meeting.

The Board discussed the future reporting on breaches and noted that in January 2019 it had been agreed that updates on contributions breaches would be presented on a 6 monthly basis and at every meeting in relation to data.

#### **Resolved:**

1. That an update regarding any contribution/data breaches since the last meeting be circulated to members of the Board for information.
2. That in future the Board receive a written quarterly report in relation to contribution and data breaches for the Lancashire County Pension Fund.

L Sales  
Director of Corporate Services

County Hall  
Preston