

Lancashire Local Pension Board

Minutes of the Meeting held remotely via Zoom on Tuesday, 14th July, 2020 starting at 2.00 pm.

Present:

Chair

William Bourne

Board Members

Tony Pounder, Employer representative - LCC
County Councillor Matthew Salter, 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
Keith Wallbank, Scheme Member representative
Deborah Parker, Scheme Member representative.

Officers

Abbi Leech, Head of Fund, LCPF, Lancashire County Council.
Colin Smith, Technical Adviser Pensions, LCPF, Lancashire County Council.
Mukhtar Master, Governance & Risk Officer, LCPF, Lancashire County Council.
Mike Neville, Senior Democratic Services Officer, Lancashire County Council.
Rachel Blundell, Operations Director, Local Pension Partnership Administration.

1. Welcome and Apologies

The Chair welcomed everyone to the meeting and noted no apologies had been received.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

No declarations of interest were made at this point in the meeting.

Mr Neville reported that he would be contact Board members after the meeting and ask them to review their entry in the current Register of Interests and update it if necessary.

3. Membership and Terms of Reference of the Board

The Chair reminded the Board that since the last meeting County Councillor M Salter had replaced County Councillor P Britcliffe as an Employer representative on the Board. The Board also noted that the revised Terms of Reference would be presented to the Pension Fund Committee on the 18th September 2020 for approval.

Resolved:

1. That the current constitution and membership of the Lancashire Local Pension Board, as set out below, is noted.

Mr W Bourne - Independent Chair

County Councillor M Salter - Employer representative (Lancashire County Council)

Mr T Pounder - Employer representative (Lancashire County Council)

Mr S Thompson - Employer representative (Unitary, City, Borough Councils and Police/Fire)

Mr C Gibson - Employer representative (Other Employers)

Ms K Haigh - Scheme member representative.

Ms Y Moulton - Scheme member representative.

Mr K Wallbank - Scheme member representative.

Ms D Parker - Scheme member representative.

2. That the current Terms of Reference of the Board, as referred to in the report presented and set out in the Minute Book, are noted.

4. Local Pension Partnership Administration Update

Rachel Blundell, Operations Director from the local Pensions Partnership Administration updated the Board on activity by the administration service since the last meeting

In response to the Covid-19 outbreak the Local Pensions Partnership had implemented its Business Continuity Plan which had involved all staff moving to homeworking, the redirection of post from the office and introduction of a remote working solution for the Contact centre with enhanced functionality and management reporting. After an initial lull in post, email and calls whilst people adjusted to the pandemic there had been a steady increase and volumes have generally returned to normal levels. Despite the challenges over recent months performance had consistently been above SLA targets and data quality remained good.

For the future more challenging Key Performance Indicators had been introduced and it was intended to review over the next 12 months the content and number of different letters used by the administration service. It was also noted that homeworking had proved popular with many staff and a project team had been established to explore how the administration service would continue to operate in the future.

Resolved:

1. That the Board congratulate all staff at Local Pensions Partnership Administration on the performance of the administration service both during the recent challenges resulting from Covid-19 and over the last 12 months.
2. That the Board be kept informed of the ongoing performance of the pensions administration service and in future be provided with more detailed

information available from the enhanced functionality and management reporting system for the Contact centre.

5. Minutes of the Last Meeting.

The chair reminded the Board that the meeting scheduled for April 2020 had been cancelled due to the Covid-19 outbreak and some reports which did not require a formal decision to be taken had been circulated to Board members for information.

Resolved: That the Minutes of the meeting held on the 14th January, 2020, are confirmed as an accurate record and are signed by the Chair in due course.

6. Written resolution procedure and decisions taken since the last meeting of the Lancashire Local Pension Board.

It was reported that as the Pension Fund Committee in June 2020 had been cancelled due to Covid-19 the Annual Report of the Board would be included in the LCPF Annual Report when it is presented to the Committee on the 18th September 2020 for approval. The revised Terms of Reference for the Board would also be presented to the Committee for approval.

Resolved: That the following decisions of the Pension Board, taken using the written resolution procedure, are noted.

1. The approval of four recommendations from the Chair of the Board following his one to one meetings with Board members and others as part of the Annual Review.
2. The approval of the 2019/20 Annual Report of the Lancashire Local Pension Board and its recommendation to the Pension Fund Committee for approval and inclusion in the Lancashire County Pension Fund Annual Report.
3. The approval of the new Terms of Reference for the Lancashire Local Pension Board and their recommendation to the Pension Fund Committee for approval.

7. Regulatory Update

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

- McCloud – the anticipated LGPS consultation on revisions required to the Fund scheme regulations had not yet been issued.
- Reform of the Retail Prices index methodology – the consultation period had been extended by four months up to 21st August 2020 and the Fund was working with the Scheme Actuary to determine what changes would be required to the Admission and Termination Policy for scheme employers.
- LGPS (Amendment Regulations 2020 – The Fund was working with the Scheme Actuary to identify any amendments to the Funding Strategy Statement and the Admissions and Termination Policy.

The Board also discussed the new guidance from the Pension Regulator on the avoidance of pension scams and Mr Smith confirmed that the Fund would continue to signpost members wishing to transfer out of the Fund to the relevant guidance.

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

8. Appeals Update

Mr Smith, Technical Adviser (Pensions) presented a report on appeals received under the Internal Dispute Procedure for the period 1st January 2020 to 30th June 2020.

In considering the report the Board recognised the relatively low number of appeals in relation to the size of the Fund membership and that the majority of complaints were resolved without recourse to the Procedure.

Resolved: That the report is noted and a reminder for employers to refer any appeal they receive direct from members to the Local Pensions Partnership for attention be included in the next employer bulletin.

9. LCPF Breaches Report

Mr M Master, Governance and Risk Officer from the Pension Fund Team, informed the meeting that during the period April to June 2020 there had been no breaches of contribution payments and two data breaches, neither of which had been deemed significant enough to warrant reporting to the Information Commissioner.

With regard to the pensions administration service it was reported that there had been six Code of Practice 14 breaches and one process breach, none of which were considered significant enough to require reporting to the Pensions Regular. In all cases corrective action had been taken as soon as the breaches had been identified in order to minimise or prevent a future recurrence.

Resolved: That the summary of the Lancashire County Pension Fund Breaches Log for the period 1st April to 30th June 2020, as set out in the report presented, is noted.

10. UK Stewardship Code Compliance

Mr M Master, Governance and Risk Officer from the Pensions Team presented a report on the arrangements for the Fund's compliance with the UK Stewardship Code, with particular reference to the revised UK Code which came into force in January 2020.

It was noted that in accordance with the decision of the Pension Fund Committee in March 2020 the regulatory/stewardship requirements are met through Local Pensions Partnership Investments being a signatory. The Fund also maintained oversight though the receipt of information on various topics including, responsible

investment, investment decision making and the exercise of ownership rights and responsibilities.

Resolved: That the contents of the report are noted

11. Feedback from members of the Board on pension related training.

It was reported that some planned training events had been disrupted by the Covid-19 pandemic with events being cancelled or rescheduled for later in the year.

The Chair and Mr Gibson reported that the LGPS Local Pension Board Members' Annual Event webinar in June had been informative, particularly with regard to different approaches taken by Funds in response to Covid-19. Other members of the Board reported that internal workshop on Asset Safety and Cyber Security held via Zoom on the 7th July had also been useful.

Resolved:

1. That the feedback given at the meeting in relation to the training received by members of the Board is noted.
2. That the 2019/20 Training Record for Board members, as set out in the report presented, is noted.

12. Part I reports circulated to members of the Pension Fund Committee

The Chair presented a report on information which had been circulated to members of the Pension Fund Committee following the cancellation of the meeting in April 2020.

The Board discussed the Annual Administration Report 2019/20 and the Internal Audit Assurance report. With regard to the latter it was agreed that the Board should invite the Head of Internal Audit to give a presentation on the role and remit of internal audit in relation to the Fund and the Local Pension Partnership.

Resolved:

1. That in advance of the next meeting a presentation be given to the Board on the role of internal audit in relation to the Lancashire County Pension Fund and the Local Pensions Partnership.
2. That the Head of Internal Audit present a report to the next meeting of the Board with regard the audit process and level of assurance regarding the Fund and Local Pensions Partnership.

13. Urgent Business

No items of business were raised under this item.

14. Date of Next Meeting

It was noted that the next scheduled meeting of the Board would be held at 2.00pm on the 13th October 2020 either remotely via Zoom or in Exchange Room 6 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 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.

16. Part II reports circulated to members of the Pension Fund Committee

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to 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 presented a report on information which had been circulated to members of the Pension Fund Committee following the cancellation of the meeting in April 2020 with regard to the following:

- The Local Pensions Partnership update
- The Investment Panel report
- The Lancashire County Pension Fund Performance Overview
- The Risk Framework
- The Lancashire County Pension Fund Risk Register.

The Board noted that following a workshop in March 2020 the Local Pensions Partnership was in the process of finalising its Governance Charter which would summarise the governance arrangements for the Partnership structure and the asset management/operator arrangements for the pooling of investments.

Key Performance Indicators were also discussed and the Head of Fund confirmed that a report would be presented to the Board in January 2021 on revised KPIs.

With regard to investment performance the Board noted that the Fund had been in a healthy position pre Covid-19 which had minimised the impact on investments and the funding level. It was reported that the Investment Panel was in the process of reviewing the Investment Strategy for the Fund and would present recommendations to the Pension Fund Committee in September 2020

Resolved:

1. That the updates from the Head of the Pension Fund regarding information circulated to members of the Pension Fund Committee following cancellation of the meeting in June 2020 are noted.
2. That a copy of the latest version of the Local Pensions Partnership Governance Charter be circulated to members of the Board for information and an update report on the Charter presented to the next meeting.
3. That a report on Key Performance Indicators for the Lancashire County Pension Fund be presented to the Board on the 19th January 2021.

L Sales
Director of Corporate Services

County Hall
Preston