

Lancashire Local Pension Board

**Minutes of the Virtual Meeting held via Zoom on Tuesday, 19th January, 2021
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

Keith Wallbank, Scheme Member representative

Deborah Parker, Scheme Member representative.

Officers

Michelle King, Interim Head of Pension 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.

Others

County Councillor E Pope, Chair of the Pension Fund Committee (observer).

Mr D Broughton, Solution Delivery Manager and Ms B Roger from BT Lancashire Services (dialling in for item 14).

1. Welcome and apologies

The Chair welcomed everyone to the meeting and introduced Michelle King, the Interim Head of Fund, who was attending her first Pension Board. Individual Board members introduced themselves and the Chair noted that apologies had been received from Ms Y Moulton and that Mr T Pounder would need to leave the meeting at 3pm due to another commitment.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

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

3. Minutes of the Last Meeting.

Mr Wallbank informed the Board that he would resign as a Scheme Member representative with effect from the 20th January 2021. The Chair and Board Members thanked Mr Wallbank for his contributions to the work of the Board over the last two years.

It was reported that an External Auditor had been engaged to undertake the additional audit work on the Local Pensions Partnership requested by the Board at the previous meeting. The Board discussed the extent of the planned audit and how the outcomes and the level of assurance would be reported to the Audit, Risk and Governance Committee and the Board. The Interim Head of Fund reported that Board members had an opportunity to submit their suggestions for areas which should be covered by the audit which could then be fed into the scoping process.

The Board was also updated on action taken since the last meeting with regard to the following items in the Minutes.

- Item 3 - the new Terms of Reference for the Board had been approved by full Council and were included on the agenda for this meeting for information.
- Item 6 - the amended strategic asset allocations had come into effect on the 1st January 2021.
- Item 13 - the Local Pensions Partnership Governance Charter had been approved by the Pension Fund Committee in November 2020.

Resolved:

1. That the Board note the resignation of Mr K Wallbank with effect from the 20th January 2021, thank him for his contributions as a scheme member representative to the work of the Board and wish him well for the future.
2. That all Board Members be given an opportunity to comment on the scope of the planned audit of the Local Pensions Partnership.
3. That the updates given at the meeting are noted and the Minutes of the meeting held on the 13th October 2020 confirmed as an accurate record and signed by the Chair in due course.

4. New Terms of Reference of the Lancashire Local Pension Board.

A report was presented on the new Terms of Reference for the Pension Board which had been approved by full Council on the 15th October 2020.

Resolved: That the new Terms of Reference, as approved by full Council on the 15th October 2020 and set out at Appendix 'A' to the report presented, are noted and that a copy is placed in the Minute Book for future reference.

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

It was reported that the Training Record for Board Members had been updated to reflect that the Chair, T Pounder, County Councillor M Salter, C Gibson, Ms K Haigh and Ms D Parker had all participated in the 12th January 2021 workshop regarding the Local Pensions Partnership Administration.

Individual Board members gave feedback on the two workshops referred to in the report, both of which were considered to have been informative and helpful.

Resolved: That the update and feedback from individual Board Members on their experiences at the training events referred to in the report is noted.

6. Part I reports presented to the most recent Pension Fund Committee

The Board discussed the various reports which had been considered by the Pension Fund Committee on the 27th November 2020 under Part I of the agenda.

It was noted that the External Audit findings report had been addressed by the discussion earlier in the meeting regarding the Minutes and that the comments of the Board had been taken into account when finalising the LPP Governance Charter which had been approved by Committee. It was also acknowledged that the report and Dashboard on responsible investment issues continued to evolve into an informative document which reflected the considerable level of activity in that area.

Resolved: That the reports considered by the Pension Fund Committee on the 27th November 2020 and subsequent decisions taken are noted.

7. Regulatory Update

Mr Smith, Technical Adviser (Pensions) presented a report which updated Board members on various pension related regulatory issues.

He reported that the requirement in LGPS regulations for Fund members to take payment of an unreduced pension conflicted with the more recent exit cap regulations which prevented employers from paying the full strain cost. As a result the new regulations were the subject of legal challenge and applications for judicial review. Mr Smith informed the Board that in accordance with the advice of the Scheme Advisory Board the Fund had advised the Local Pensions Partnership that any cases received for employers in scope of the cap can be released where the exit costs are clearly under the cap and termination dates are not beyond 31st March 2021. It was noted that to date there had been no cases for the Fund where the exit cap had been breached.

The Board also noted that the employer risk function currently undertaken by the Local Pensions Partnership Administration would transfer back to the Fund with effect from the 1st April 2021 and recruitment was underway to support that function.

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

8. Lancashire County Pension Fund - Pension Administration Strategy Statement Review

A report was presented on the Administration Strategy Statement for the Fund which had been reviewed to ensure that it remained appropriate and compliant with the Fund's policy intentions.

The Board was informed that no significant changes had arisen from the review and that the Local Pensions Partnership Administration (LPPA) was currently meeting all

key performance indicators. It was reported that the Statement was primarily a document on the relationship between employers, the administering authority and LPPA. However, the Board acknowledged that there was merit in also making the document available to the Fund membership so that individuals could find out more about their employer and the administrator if they wished to do so.

The financial penalties for employers who failed to provide information in accordance with the Statement was also discussed and it was noted that such penalties were considered a last resort and rarely used in relation to the Fund.

Resolved:

1. That the content of the Pension Administration Strategy Statement, as set out at Appendix 'A' to the report presented, is noted and that the new Fund branding be applied to the document before it is published.
2. That the Communication Strategy for the Fund be updated to include reference to the Administration Strategy Statement and direct the Fund membership to a copy should they wish to access it.

9. 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 31st December 2020.

In considering the report the Board discussed the number of ill health cases received (the majority of which had been dismissed), the processes involved in considering appeals and the availability/accessibility of information to the membership of the Fund.

Resolved: That the report is noted and that future reports on appeals received under the Internal Dispute Procedure be presented to the Board on an annual basis.

The Chair informed the Board that he would take the report at item 14 on the agenda as the next item of business so that Mr Pounder could contribute to the discussion before he had to leave for another commitment.

10. Update on Lancashire County Pension Fund Branding and Website Development

Mr Broughton and Ms Roger from BT Lancashire Services (BTLS) dialled into the meeting at this point to update the Board on the development of the dedicated website for the Lancashire County Pension Fund which was due to go live on the 25th February 2021.

It was reported that whilst there had been some delays, most notably due to the reallocation of resources by BTLS in response to the Covid-19 outbreak, the website was nearing completion and required final sign off in relation to the agreed specification. Resources had been deployed to resolve an outstanding issue in

relation to how the website would display on certain devices and the project was on target to be completed by the February deadline.

The Chair thanked Mr Broughton and Ms Roger for their contributions to the discussion before they dialled out of the meeting.

Resolved:

1. That the Board recognise the concerns raised by BT Lancashire Services (BTLS) regarding the delay in signing off the website and accept those concerns. It is noted that the Fund has taken responsibility for ensuring the necessary sign off is provided on a prompt basis and BTLS has given an assurance that the system will be delivered as specified by the deadline of 25th February 2021.
2. That a report on the dedicated website for the Lancashire County Pension Fund be presented to the Pension Fund Committee on the 12th March 2021.

11. The Governance Policy Statement

A report was presented on the latest version of the Governance Policy Statement for the Lancashire County Pension Fund which set out how the County Council discharged its responsibilities in response to the regulatory requirements. It was noted that the Policy Statement had been produced using the new branding for the Fund and included hyperlinks to information published on the County Councils website.

Resolved: That the updated Governance Policy Statement for the Lancashire County Pension Fund, as set out at Appendix 'A' to the report presented, is noted.

12. Lancashire County Pension Fund - Compliance with the requirements of the Pension Regulator

Mr Master, the Governance & Risk Officer, presented a report on the latest version of the Compliance Statement for the Lancashire County Pension Fund which had been updated following a review by officers and colleagues at the Local Pensions Partnership. In considering the report the Board noted that no major governance issues had been identified, the quality of data held by the Fund was high and overall compliance against the Code of Practice 14 was good.

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

13. Lancashire County Pension Fund - Breaches Report

Mr Master, Governance & Risk Officer for the Fund, presented a report on the small number of breaches in relation to contributions, data and administration, none of which had been deemed significant enough to warrant reporting to either the Information Commissioner or Pensions Regular.

In response to comments from the Board the Interim Head of Fund suggested that further detail be provided regarding the process used by the Local Pensions Partnership Administration when rating breaches in order that the Board could understand the rationale behind the figures set out in future reports.

Resolved:

1. That the summary of the Lancashire County Pension Fund Breaches Log for the period 1st October 2020 to the 31st December 2020, as set out in the report presented, is noted.
2. That the Operations Director at the Local Pensions Partnership Administration be requested to produce a report for the next meeting on the process used to assess and rate administration breaches.

14. 2021/22 Programme of meetings

Resolved:

1. That the 2021/22 programme of meetings, as set out below, is approved with all meetings to start at 2.00pm and be held either remotely via Zoom or, subject to Covid-19 restrictions in operation at the time, at County Hall, Preston.

Tuesday 6th July 2021

Tuesday 19th October 2021

Tuesday 18th January 2022

Tuesday 26th April 2022

2. That in future provision be made for a short refreshment break mid-way through Zoom meetings.

15. Urgent Business

The update report on the development of a dedicated website for the Lancashire County Pension Fund website and associated branding presented to the Board under this item was discussed earlier in the meeting.

No other items of urgent business were raised at this point in the meeting.

16. Date of Next Meeting

It was noted that the next scheduled meeting of the Board would be held at 2.00pm on the 20th April 2021 either remotely via Zoom or, subject to any Covid 19 restrictions that may be in operation at the time, in Exchange Room 8 at County Hall, Preston.

17. Exclusion of Press and Public

Resolved: That the press and public be excluded from the meeting during consideration of the following item 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 briefly paused the meeting at this point while the live web stream was turned off.

18. Part II reports from the most recent Pension Fund Committee.

(Exempt information as defined in Paragraphs 1, 2 and 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).

A report was presented on the six items considered by the Pension Fund Committee on the 27th November 2020 under Part II of the agenda.

The Board discussed the ongoing work in relation to the Local Pensions Partnership Balanced Scorecard and highlighted some action points for Officers to follow up. The Board also discussed potential amendments to the reporting in future versions of the Lancashire County Pension Fund Risk Register and noted that the latest version of the Register was due to be presented to the next meeting for comment.

Resolved:

1. That the reports considered by the Pension Fund Committee on the 27th November 2020 under Part II of the agenda and decisions taken are noted.
2. That the Interim Head of Fund be requested to
 - a) Consider the comments of the Board in relation to the Local Pensions Partnership Balanced Scorecard and report back to Board members outside of the meeting.
 - b) Take into account the comments of the Board when preparing the report to the next meeting regarding the latest version of the Risk Register for the Lancashire County Pension Fund

L Sales
Director of Corporate Services

County Hall
Preston