

Lancashire Local Pension Board

**Minutes of the Virtual Meeting held via Zoom on Tuesday, 6th July, 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
Yvonne Moulton, Scheme Member representative
Deborah Parker, Scheme Member representative.
Kevin Ellard, Scheme Member representative

Others:

County Councillor Eddie Pope -	Chair of the Pension Fund Committee
County Councillor Alan Schofield -	Chair of the Audit, Risk & Governance Committee.
Laura Sales -	Director of Corporate Services & Monitoring Officer, Lancashire County Council
Ruth Lowry -	Head of Internal Audit, Lancashire County Council.
Sean Greene -	Head of Pension Fund, Lancashire County Council.
Mukhtar Master -	Governance & Risk Officer, LCPF, Lancashire County Council
Mike Neville -	Senior Democratic Services Officer, Lancashire County Council.
Jo Darbyshire -	Director of Administration, Local Pensions Partnership Administration.
Rachel Blundell -	Operations Director, Local Pensions Partnership Administration.
John Crowhurst	Commercial Director, Local Pensions Partnership.

1. Membership and Terms of Reference of the Board

The Chair presented a report on the constitution, membership and Terms of Reference of the Board and informed the meeting that Mr Ellard had agreed to share with Mr Gibson lead responsibility for discussions at future meetings relating to risk.

Mr Pounder informed the Board that he intended to retire in January 2022.

Resolved:

1. That the current constitution (9 Board members) 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 Mould - Scheme member representative.

Ms D Parker - Scheme member representative.

Mr K Ellard - Scheme member representative.

2. That the current Terms of Reference of the Board, as referred to in the report presented, are noted and that a copy be placed in the Minute Book.
3. That the Succession Plan for Board members, as set out at Appendix 'A' to the report presented, is noted and updated in due course to reflect the retirement of Mr T Pounder in January 2022 and the appointment of a replacement Employer representative for Lancashire County Council.

2. Apologies

No apologies for absence were presented.

3. Disclosure of Pecuniary and Non-Pecuniary Interests

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

4. Minutes of the Meetings held in April and January 2021.

The Chair presented the Minutes from the previous two meetings and noted that the clarification referred to at item 3 in the Minutes from the 20th April 2021 had been received.

Resolved:

1. That the Minutes of the meeting held on the 20th April 2021 are confirmed as an accurate record and signed by the Chair in due course.
2. That in view of the decision set out at 1 above the Minutes of the meeting held on the 19th January 2021 are also confirmed and signed by the Chair in due course.

5. Lancashire County Pension Fund Breaches Report

Mr Master, Governance and Risk Officer from the Pension Fund Team, reported that during the period April to June 2021 there had been no breaches of contribution payments and four data breaches, neither of which had been deemed significant enough to warrant reporting to the Information Commissioner. He also informed the Board that there had been one Code of Practice 14 breach which had not been considered significant enough to require reporting to the Pensions Regulator and corrective action had been taken as soon as the breach had been identified in order to minimise or prevent a future recurrence.

With regard to the discussion under item 9 at the previous meeting Mr Master confirmed that having reviewed the number of incidents where employers had failed to submit contribution figures no 'repeat offenders' had been identified.

Resolved: That the summary of the Lancashire County Pension Fund Breaches Log for the period 1st April to 30th June 2021, as set out in the report presented, is noted.

6. Regulatory Update

Mr M Master, Governance and Risk Officer from the Pension Fund Team, presented a report which updated the Board on various pension regulatory issues.

In considering the report Board members referred to the new requirement for councils/combined authorities in England to provide data on exit payments to inform the development of the Governments policy commitment to end excessively high exit payments in the public sector. The McCloud judgement was also discussed, particularly with regard to the workload for unfunded schemes that may have only undertaken annual updates. It was noted that Lancashire was in a good position to respond as the Local Pensions Partnership Administration had been regularly collecting data for some time.

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

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

The Chair presented a report on training which Board members had participated in since the last meeting and invited those present to give feedback. Mrs D Parker confirmed that she had watched recordings in the Pensions Library of the 9th June 2021 presentation to new members of the Pension Fund Committee and the 23rd June 2021 training session on the County Council Statement of Accounts.

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 2021/22 Training Record for Mrs D Parker be updated in relation to the recorded training events held on the 9th and 23rd June 2021 viewed from the Pensions Library.

8. Part I reports presented to the recent Pension Fund Committee

The Head of Fund presented a report on items considered by the Pension Fund Committee on the 18th June 2021 under Part I of the agenda and highlighted the decisions taken regarding:

- The LCPF 2020/21 budget monitoring report.
- The LCPF inter valuation contribution review policy and Admission and Termination policy

With regard to the LCPF and Lancashire County Council Annual Governance Statement the Board noted that the intention was for the Fund to review and compare governance statements with other Funds and seek to identify examples of best practice.

Resolved: That the Part I reports considered by the Pension Fund Committee on the 18th June 2021 and decisions taken are noted.

9. Written resolution - Local Pension Board Annual Report 2020/21

The Chair presented a report on the amended Pension Board Annual Report 2020/21, which had been approved using the written resolution procedure, and informed the meeting of an amendment under 'Activities' which had been agreed at the Pension Fund Committee on the 18th June 2021 as highlighted in the Appendix to the report.

Resolved:

1. That the approval of the Pension Board Annual Report 2020/21 and its recommendation to the Pension Fund Committee for inclusion in the Lancashire County Pension Fund Annual Report using the written resolution procedure is noted.
2. That the Board note and agree the subsequent amendment to the Annual Report 2020/21 as approved by the Pension Fund Committee on the 18th June 2021 and highlighted in Appendix 'A' to the report presented.

10. Urgent Business

No items of urgent business were raised at the meeting.

11. Date of Next Meeting

It was noted that the next scheduled meeting would be held at 2pm on the 19th October 2021 either virtually or at County Hall, Preston.

12. 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.

13. Local Pensions Partnership Administration Update

(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).

A detailed report was presented on the activity/performance of the Local Pensions Partnership Administration which included:

- An outline of key activities completed in 2020/21.
- Details of Service Level Performance on casework activities.
- Information regarding Helpdesk performance and customer satisfaction scores.
- Service improvements completed in 2020/21 and scheduled for 2021/22.
- Engagement updates and priorities, and
- An outline of data quality scores for 2020/21.

In considering the report Board members discussed various points with both the Managing Director the Operations Director from the Local Pensions Partnership Administration Ltd who answered queries and provided clarification on some aspects of the report.

Resolved: That the Board welcome the detailed and transparent reporting by the Local Pensions Partnership Administration Ltd, note the continuing improvement in performance and recognise that there are still some areas where improvements can be made.

14. Local Pensions Partnership Administration - Project PACE update

(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).

John Crowhurst, Commercial Director, Local Pensions Partnership gave a presentation on the Pension Administration Core Evolution (PACE) project which would replace existing systems with a single system. The Board noted that the project would be implemented in two phases with Lancashire being in the second phase – due to go live in September 2022.

Resolved: That the presentation on the Pension Administration Core Evolution (PACE) project is noted and the Pension Board receive regular updates on the project in the future.

15. Local Pensions Partnership Administration - Audit Assurance Report

(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).

Following the discussion at the previous meeting the Board considered an updated Internal Audit report in relation to the Local Pensions Partnership (Administration) Ltd benefits administration function. In considering the report the Board referred to the Internal Audit Assurance report presented to the meeting on the 13th October 2020 and the report from the Head of Internal Audit considered by the Pension Fund Committee on the 18th June 2021.

It was noted that whilst the new pension administration system discussed under the previous item would address a number of points raised it would be operational in September 2022. However, the Board recognised that the Management Action points in the Internal Audit report would mitigate the identified risks in the interim period.

The Board also noted that the Head of Internal Audit would present a report on the matter to the Audit, Risk and Governance Committee on the 26th July 2021.

Resolved:

1. That the Pension Board are content the proposed Management Action Points, as set out in the Appendix to the report presented sufficiently mitigate identified risks over the next two years pending implementation of the Pension Administration Core Evolution project.
2. That the Pension Board receive regular updates on implementation of the Management Action Points referred to at 1 above moving forward.
3. That the Managing Director at Local Pensions Partnership (Administration) Ltd provide the Pension Board with an explanation as to how the Company will provide independent audit assurance to the board and Pension Fund Committee in the short term and longer term in the future.

16. Local Pensions Partnership Administration - Communications Update

(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 Board considered a communications update report from the Engagement and Communications Team at Local Pensions Partnership (Administration) Ltd which included details of engagement activities for Q1 (April to June 2021).

Resolved: That the updates set out in the report are noted.

17. LCPF Risk Register Review Update

(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 Board considered a report on the proposed amendments to how risks associated with the Fund were recorded and reported (as discussed at the Board on the 20th April 2021) which included a template for updating all risks in the future and a heat map to provide a visual representation of all Fund risks mapped against the risk matrix.

Resolved: That the work to date on improvements to recording/reporting risks associated with the whole Fund, as set out in the report presented, is noted.

18. Part II reports from the most recent 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).

A report was presented on the six items considered by the Pension Fund Committee on the 18th June 2021 under Part II of the agenda, some of which had been discussed earlier in the meeting.

Resolved: That the reports considered by the Pension Fund Committee on the 18th June 2021 under Part II of the agenda and decisions taken are noted.

L Sales
Director of Corporate Services

County Hall
Preston