

Lancashire County Council

Lancashire Local Pension Board

**Minutes of the Meeting held on Tuesday, 4th April, 2023 at 2.00 pm in
Committee Room 'B' - The Diamond Jubilee Room, County Hall, Preston**

Present:

Chair

Mr W Bourne

Board Members

Mr N Kissock, Employer representative - LCC (for this meeting only)
County Councillor M Salter, Employer representative - LCC
Mr C Gibson, Employer representative - Other Employers
Ms Y Moul, Scheme Member representative
Ms D Parker, Scheme Member representative.
Mr K Ellard, Scheme Member representative.
Ms G Hart, Scheme Member representative.

In attendance.

Sean Greene, Head of Pension Fund, Lancashire County Council.
Junaid Laly, Special Projects Pensions Lead, Lancashire County Council.
Julie Price, Technical Pensions Lead, Lancashire County Council.
Catherine Hunt, Senior Governance Officer, Lancashire County Council
Mike Neville, Senior Democratic Services Officer, Lancashire County Council.
Jo Darbyshire, Managing Director, Local Pensions Partnership Administration and
Abbi Leech, Director of Finance, People and Culture, Local Pensions Partnership
Administration (for item 14 only).

Mr S Dunstan, Employer representative - Other w.e.f. 1st May 2023 (observer).
Ms S Maka, Scheme Member representative w.e.f. 1st May 2023 (observer).

1. Welcome and Apologies

The Chair welcomed everyone to the meeting and reported that Ms Hart was attending her first meeting as a Board member and Mr Dunstan and Ms Maka were attending the meeting as observers, ahead of beginning their term of appointment on 1st May 2023.

The Board was informed that since the last meeting Mr T Wilkinson, Employer representative for Unitary, City Borough Council and Police & Fire, had resigned from the Board and arrangements were in hand to recruit and appoint his replacement. It was further reported that as Mr G Peach no longer worked for the County Council, he was ineligible to be an employer representative for the authority and Mr Kissock, the Director of Finance, had been appointed to fill the vacancy for this meeting with Mr Lawrence, Director of Growth and Regeneration attending future meetings.

Resolved: That the changes to the membership of the Board, as reported at the meeting, are noted.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

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

Regarding item 14 on the agenda Ms Moulton reported that Blackpool Council was one of the employers who were in the process of submitting data to Local Pensions Partnership Administration Ltd.

3. Minutes of the Last Meeting.

It was reported that the circulated Minutes incorrectly referred to Mr Peach as an employee representative on the Board rather than an employer representative and the online version of the Minutes had been corrected in advance of the meeting.

County Councillor Salter reported that following his meeting with LPPIs Head of Responsible Investment he had been reassured that the LCPF Responsible Investment Policy and the LPPI Responsible Investment policy (which was aligned with UK Government legislation and treaties) would not be an impediment to investments being made in companies manufacturing armaments for British/NATO armed forces.

Resolved: That the updates given at the meeting are noted and, subject to the minor amendment referred to at the meeting the Minutes of the 24th January 2023 are confirmed as an accurate record and signed by the Chair.

4. Annual Review of the Lancashire Local Pension Board.

The Chair presented a report summarising the main points from his discussions with individual Board members and others as part of the Annual Review of the effectiveness of the Pension Board held in January 2023.

Resolved:

1. That the allocation of areas of Board activity to selected Board members with lead responsibility during discussions continue (see table below) with no changes being made in the short term apart from the removal of any Board members who have resigned.



Area	Includes	Board Members
Compliance with regulations and statutory guidance	TPR, LGPS regulations	K Ellard
Communications	Engagement, Comms policy	D Parker & C Gibson
Administration	KPIs, ABSs, admin breaches	Y Moulton
IT	Systems, data protection, cyber	M Salter
Investment policy documents	Investment Strategy Statement, actuarial report, Responsible Investment.	D Parker
Service providers Governance	LPP, custodian, audit	Y Moulton
Risk	Risk Register	K Ellard & C Gibson

2. That the Chair should make a practice, at least over the next few meetings, of introducing substantive items with a short comment on their context for the benefit of newer Board members.
3. That arrangements are made for training sessions on the following subjects:
 - Breaches reporting policy
 - Audit and assurance framework
 - Investment vocabulary, jargon-busting, and attributes of main asset classes
 - Pensions Dashboard
4. That a list of training topics to be covered over a cycle of three or four years be created to ensure that detailed training plans for each year are comprehensive.
5. That a process whereby employers can provide early feedback to LPPA on problems, especially with PACE post-implementation, and the move to monthly data collection, be identified and implemented.
5. **2022/23 Training Record and feedback from Board members on pension related training.**

A report was presented on the Training Record for 2022/23 which reflected the participation of individual Board members in external/internal training events over 12 months. It was reported that the Training Record had informed the figures presented



in the Pension Board Annual Report (item 6) which would be updated to take account of more recent training as referred to in this report and, if approved, incorporated into the Lancashire County Pension Fund Annual Report.

Individual Board members gave feedback on their experience at the training referred to in the report and Ms Parker confirmed that she had watched the recording in the online pension library of the Workshop held on 24th March 2023. In response to a query, Mr Neville clarified that the Training Record attached as Appendix 'A' to the report did include the training attended by County Councillor Salter

Resolved: That the feedback and updates from individual Board Members on their experiences of recent training events together with the contents of the Training Record for 2022/23, are noted.

6. Lancashire Local Pension Board - Annual Report 2022/23

The Chair presented a report on the draft 2022/23 Lancashire Local Pension Board Annual Report which highlighted key areas of activity undertaken by the Board during the previous year and included information on Board member attendance at meetings, participation in internal/external training, and the operational cost of the Board.

It was noted that the draft Annual Report would be updated to reflect the participation of 3 Board members in the internal workshop held on 24th March 2023 and attendance at the meeting on 4th April 2023. An amendment was also proposed to reflect that employers within the Lancashire County Pension Fund had moved to monthly rather than annual data collection several years ago.

Resolved:

1. That the draft Annual Report 2022/23, be updated to include reference to employers having moved to monthly data collection, the participation of three Board members in the workshop on 24th March 2023, and attendance of all Board members at the meeting on 4th April 2023.
2. That, subject to the amendments referred to at 1 above, the 2022/23 Annual Report, as set out at Appendix 'A' to the report presented, is recommended to the Pension Fund Committee on 16th June 2023 for approval and inclusion in the Lancashire County Pension Fund Annual Report.

7. Regulatory Update

Ms Price, Technical Pensions Lead, presented a report on eleven pension related regulatory issues, including the implementation of the McCloud judgement, the DLUHC Cost Management Process consultation, and confirmation of the annual revaluation and pensions increase.

She also gave additional updates on the following:



- The Pensions Team were undertaking a gap analysis to ensure that the Fund would comply with The General Code of Practice which is expected to come into force in June or early July 2023.
- Publication by the Department of Work and Pensions of the 2023 review of the State Pension Age.
- The introduction of a new rate for the Superannuation Contributions Adjusted for Past Experience ("SCAPE") from 30th March 2023 which would involve suspension of the calculation of non-club transfer values until new transfer factors are issued in April/May.

During consideration of the report, it was suggested that employers be given further information regarding the timescale, actions, and deadlines associated with implementation of McCloud. The Head of Fund agreed to liaise with Local Pensions Partnership Administration Ltd to include the information as part of future communications. Regarding the government planned consultation on pooling it was noted that through the Local Pensions Partnership (which currently had three Funds as clients) and other networks the Fund would work with others to establish a collective response.

Resolved:

1. That the updates on all the regulatory matters, as set out in the report presented and given at the meeting, are noted.
2. That further details regarding the three additional updates given at the meeting be circulated to Board members outside of the meeting for information.

8. Communications Update

Mr Laly, Special Projects Pensions Lead, presented an update report on communications from both a Fund and Local Pensions Partnership Administration (LPPA) perspective.

Regarding a discussion earlier in the meeting on implementation of the McCloud judgement, Mr Laly confirmed that the Fund would liaise with the Local Pensions Partnership Administration Ltd to identify scheme members who had already retired so that they could be sent specific communications.

The Head of Fund confirmed that there were currently no plans to reintroduce the annual scheme member event in the Guild Hall at Preston, however, the broader issue of member engagement would be considered in the Communications Strategy project and the Chair suggested that he liaise with LPFA regarding their experience of holding member forums.

Feedback was also provided to the Officers on communications issued as part of the consultation on the Funding Strategy Statement.

Resolved: That the report is noted.



9. LCPF Breaches Report

Catherine Hunt, Senior Governance Officer, presented a report on 6 data breaches, 10 contribution breaches and 2 administration breaches, together with information on complaints received during the period 1st December 2022 to 28th February 2023 and subsequent action taken. Board members welcomed the new quarterly reporting period referred to in the report which provided a more up to date position.

It was noted that one of the breaches referred to in the report was not considered to be an actual data breach, having been included for completeness, and in future any such breaches would be presented in a separate table to avoid confusion.

Resolved:

1. That the summary of the Lancashire County Pension Fund Breaches Log for the period 1st December 2022 to 28th February 2023, as set out in the report presented, is noted.
2. That in future reports when presenting contribution breaches information, trend analysis details be provided specifically covering the percentage of the total contributions received during a period in monetary value.

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

The Head of Fund presented a report on items considered by the Pension Fund Committee on 11th March 2022 under Part I of the agenda and updated the Board on specific decisions taken regarding:

- The Lancashire County Pension Fund 2023/24 Budget
- The Lancashire County Pension Fund Strategic Plan 2023/24
- The Breaches Policy review
- The approved 2023/24 Training Plan for the Committee/Pension Board.
- The approved 2023/24 Workplan for the Pension Board.

Resolved: That the reports considered by the Pension Fund Committee on 11th March 2022 and subsequent decisions are noted.

11. Urgent Business

No items of business were raised under this item.

12. Date of Next Meeting

It was noted that the next meeting of the Board would be held at 2.00pm on 11th July 2023 in Committee Room 'B' – The Diamond Jubilee Room at County Hall, Preston.

13. 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 briefly paused the meeting at this point while the livestream was turned off representatives from the Local Pensions Partnership Administration Ltd joined the meeting.

14. 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).

The Managing Director and the Director of Finance, People and Culture from Local Pensions Partnership Administration Ltd, (LPPA) presented an update report on pensions administration matters and answered questions from Board members on the following:

- Service level performance, including challenges in measuring SLAs within the new pension administration system and adjustments in approach going forward.
- Helpdesk call waiting times and turnaround times for the provision of information on ill health/retirement.
- Activity around the recruitment/retention of staff.
- Future challenges associated with implementation of the McCloud judgement and the General Code of Practice.

Resolved:

1. That the update report be noted and the Managing Director and the Director of Finance, People and Culture from Local Pensions Partnership Administration Ltd thanked for their attendance and contributions to the discussion.
2. That an escalation process be developed to support employers in understanding who best at LPPA to escalate any delays in the provision of information to.

The Managing Director and the Director of Finance, People and Culture from Local Pensions Partnership Administration Ltd, left the meeting at this point.

15. Lancashire County Pension Fund Risk Register

(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 the latest iteration of the full Risk Register for the Fund, including the methodology used to determine individual risks, and highlighting four specific risks.

The Board noted that the Investment Panel was reviewing the Funds exposure to geopolitical and banking stress related risks and would report back to the Pension Fund Committee in June 2023. It was also suggested that future versions of the Register should reference when specific risks were reviewed, any conclusions and subsequent activity and the Pensions Team would consider how best to display progress within templates.

Resolved: That the comments of the Board regarding the contents of the full Fund Risk Register, as set out at Appendix "B" to the report presented, are noted, and taken into consideration when updating the Register in the future.

16. 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).

The Head of Fund updated the Board on the Part II reports considered by the Pension Fund Committee on 10th March 2023 and decisions taken, including the approval of the Funding Strategy Statement and the 2023/24 budget for the Local Pensions Partnership.

Resolved: That the reports considered by the Pension Fund Committee on 11th March 2022 under Part II of the agenda and the decisions taken are noted.

Ms Y Moulton and Mr C Gibson

As this was the last meeting for Ms Moulton and Mr Gibson the Chair thanked them both for their contributions to the work of the Board over the last 8 years and wished them well for the future.

H MacAndrew
Director of Law and Governance

County Hall
Preston

