

**Lancashire County Council**

**Lancashire Local Pension Board**

**Tuesday, 4th April, 2023 at 2.00 pm in Committee Room 'B' - The Diamond Jubilee Room, County Hall, Preston**

**Agenda**

**Part I (Open to Press and Public)**

**No. Item**

- 1. Welcome and Apologies**
- 2. Disclosure of Pecuniary and Non-Pecuniary Interests**
- 3. Minutes of the Last Meeting.** (Pages 1 - 8)  
To be confirmed and signed by the Chair.
- 4. Annual Review of the Lancashire Local Pension Board.** (Pages 9 - 16)
- 5. 2022/23 Training Record and feedback from Board members on pension related training.** (Pages 17 - 24)
- 6. Lancashire Local Pension Board - Annual Report 2022/23** (Pages 25 - 32)
- 7. Regulatory Update** (Pages 33 - 38)
- 8. Communications Update** (Pages 39 - 48)
- 9. LCPF Breaches Report** (Pages 49 - 54)
- 10. Part I reports presented to the most recent Pension Fund Committee** (Pages 55 - 62)
- 11. Urgent Business**  
An item of urgent business may only be considered under this heading where, by reason of special circumstances to be recorded in the minutes, the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. Wherever possible, the Chief Executive should be



given advance warning of any Member's intention to raise a matter under this heading.

**12. Date of Next Meeting**

The next scheduled meeting of the Board will 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**

The Board is asked to consider whether, under Section 100A(4) of the Local Government Act, 1972, it considers that the public should 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 I of Schedule 12A to the Local Government Act, 1972, as indicated against the heading to the item.

**Part II (Not Open to Press and Public)**

- |  |                 |
|--|-----------------|
| <b>14. Local Pensions Partnership Administration - Update</b>          | (Pages 63 - 64) |
| <b>15. Lancashire County Pension Fund Risk Register</b>                | (Pages 65 - 96) |
| <b>16. Part II reports from the most recent Pension Fund Committee</b> | (Pages 97 - 98) |

H MacAndrew  
Director of Law and Governance

County Hall  
Preston



**Lancashire County Council**

**Lancashire Local Pension Board**

**Minutes of the Meeting held on Tuesday, 24th January, 2023 at 2.00 pm in Committee Room 'C' - The Duke of Lancaster Room, County Hall, Preston**

**Present:**

**Chair**

William Bourne

**Board Members**

County Councillor Matthew Salter, Employer representative - LCC  
Glyn Peach, Employer representative - LCC (w.e.f. 19th January 2022)  
Tony Wilkinson, Employer representative - Unitary, City & Borough Councils & Police/Fire bodies  
Kathryn Haigh, Scheme Member representative  
Yvonne Moulton, Scheme Member representative  
Deborah Parker, Scheme Member representative.  
Kevin Ellard, Scheme Member representative.

**Officers**

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.

**Also in attendance:**

Ms G Hart, Scheme Member representative w.e.f. 1<sup>st</sup> April 2023 (observer).  
Jo Darbyshire, Managing Director, Local Pensions Partnership Administration – for item 17 and item 18 (part).

**Appointment of Temporary Chair**

Mr Neville, Senior Democratic Services Officer, opened the meeting and informed the Board that Mr Bourne had been delayed and had asked that, with the agreement of the Board, Mr Ellard act as Chair until he arrived.

**Resolved:** That Mr Ellard is appointed as Chair until such time as Mr Bourne arrives at the meeting.

## 1. Welcome and Apologies

The Chair welcomed everyone to the meeting and noted that apologies had been received from Mr C Gibson.

It was reported that Mr T Wilkinson, the newly appointed Employer representative for Unitary, City, Borough Councils and Police/Fire had replaced Mr S Thompson and Ms G Hart, a newly appointed Scheme member representative (attending as an observer) would replace Ms K Haigh on 1<sup>st</sup> April 2023. On behalf of the Board the Chair thanked Ms Haigh for her contributions to the work of the Board over the years and wished her well for the future. The Board members and Officers present then introduced themselves to Mr Wilkinson and Ms Hart.

## 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.

Ms Moulton informed the Board that Blackpool Council was one of the large employers who were in the process of submitting monthly files to Local Pensions Partnership Administration Ltd through the new UPM system as reported at item 17 on the agenda.

## 3. Minutes of the Last Meeting.

The Head of Fund updated the Board on the following matters which had been discussed at the last meeting.

- Item 5 Regulatory update - the risks associated with Multi Academy Trusts and the Government guarantee were addressed in the Risk Register report at item 18 on the agenda.
- Item 6 Communications Update - a strategic plan of activity would be presented to the Pension Fund Committee on 10<sup>th</sup> March 2023 and the communication strategy would be discussed at the Board on 4<sup>th</sup> April 2023.
- Item 9 Part I reports to Committee - The County Council/LCPF accounts would be presented to the Audit, Risk and Governance Committee on 30<sup>th</sup> January 2022 for final approval. The delay in approval of the County Council accounts had not impacted the LCPF accounts disclosure deadline in December 2022 or publication of the LCPF Annual report and an update would be issued once the final accounts were approved.
- Item 14 (LCPF Risk Register) the risks associated with LPP/LPPA discussed at the last meeting were addressed in the report at item 18 on the agenda.

**Resolved:** That the updates given at the meeting are noted and the Minutes of the meeting held on 18<sup>th</sup> October 2022 are confirmed as an accurate record and signed by the Chair.

## 4. Regulatory Update



Ms Price, Technical Pensions Lead from the Pensions Team, presented a report on various pension related regulatory issues including McCloud, Pension Dashboard, and the Scheme Advisory Board Statement on employer contributions, and answered questions from Board members.

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

Mr Bourne arrived at this point in the meeting and took over as Chair from Mr Ellard.

## 5. Appeals Update

Ms Price, Technical Pensions Lead, presented a report on appeals received under the Internal Disputes Resolution Procedure and confirmed that the number/type of appeals were consistent with totals for previous years.

In response to a query from a Board member Officers confirmed that a breakdown of appeals from previous years would be included in future reports together with some commentary comparing the LCPF with other Local Government Pension Funds whilst taking account of differences in size and membership.

**Resolved:** That the report is noted, and future reports include a breakdown of appeals from previous years together with commentary comparing the LCPF with other Local Government Pension Funds.

## 6. Communications Update

Mr Laly, Special Projects Pensions Lead from the Pensions Team, updated the Board on communications activity by both the Local Pensions Partnership Administration Limited's (LPPA) Engagement and Communications Team and the Pension Fund Team.

He reported that currently 13.6% of the total LCPF membership had signed up to the new Pension Point portal which was ahead of target. The consultation on the draft Funding Strategy Statement had recently closed and Officers were considering all the feedback, including that received from Board members. A summary document of the LCPF Annual Report had been published on the Fund website and a link to the summary had been circulated to employers to share with employees.

**Resolved:** That the report and additional updates given at the meeting are noted.

## 7. Lancashire County Pension Fund Breaches Report

Mr Laly, Special Projects Pensions Lead, informed the Board that there had been a slight increase in contribution breaches in the last quarter following employers move to using the new UPM pension administration system. Data breaches had increased slightly, mainly due to incorrect address information in the system due to administrator/employer/members errors. Local Pensions Partnership Administration



Ltd (LPPA) had held awareness sessions with staff to identify potential errors which may be reflected by an increase in breaches in future reports.

He also confirmed that future reports would include information on complaints received by LPPA in relation to delays, general service and regulatory matters which would provide a useful measure of the quality of service.

**Resolved:** That the summary of the Lancashire County Pension Fund Breaches Log for the period 1<sup>st</sup> October to 31<sup>st</sup> December 2022, as set out in the report presented, and updates given at the meeting, are noted.

## **8. Lancashire County Pension Fund Breaches Policy Review**

Ms Hunt, Senior Governance Officer from the Pensions Team, presented a report on the Fund Breaches Policy which had been redrafted to update/amend some of the content and simplify/improve presentation.

In considering the report Board members received clarification on the reporting of breaches both via the escalation process set out in the Policy or directly to the Pensions Regulator. Potential access to the full record of breaches and the need for training on breaches for both the Pension Fund Committee and the Board were also discussed.

### **Resolved:**

1. That the revised Breaches Policy, as set out at Appendix 'D' to the report presented, is noted.
2. That in due course the Head of Fund review the Breaches Policy to ensure it is compliant with the requirements of the Single Code of Practice once it comes into operation
3. That an opportunity for training on breaches be included in the 2023/24 Training Plan for the Pension Fund Committee and the Pension Board.

## **9. Funding Strategy Statement Consultation**

The Head of Fund reported that a consultation with scheme employers on the revised Funding Strategy Statement had recently concluded and the feedback would be considered when finalising the Statement before it was presented to the Pension Fund Committee in March 2023 for approval.

Regarding Universities/Further Education institutions it was reported that those employers represented an element of additional risk which would be reflected in their future contributions from 2023 onwards.

**Resolved:** That contents of the draft Funding Strategy Statement, as set out at Appendix 'A' to the report presented, are noted and that a final version of the Statement be presented to the Pension Fund Committee on 10<sup>th</sup> March 2023 for approval.



## **10. Annual Report on Cyber Security**

Ms Hunt, Senior Governance Officer from the Pensions Team, presented a report which updated the Board on activity in relation to cyber security associated with the Fund.

In considering the report Board members recognised that local government pension funds were increasingly being targeted by cyber criminals and noted the proposed actions to improve cyber resilience, as set out in the report, and protect the fund from the real financial implications of a cyber threat.

### **Resolved:**

1. That the update report on actions associated with cyber security for the Lancashire County Pension Fund is noted.
2. That a workshop on cyber security be included in the 2023/24 Training Plan for the members of the Pension Fund Committee and Pension Board.
3. That further reports on cyber security/resilience be presented to the Board as appropriate.

## **11. Feedback from Board members on pension related training.**

Mr Neville, Senior Democratic Services Officer, presented a report on the seven pension related training events which had taken place since the last meeting and confirmed that Mr G Peach, Ms K Haigh, Ms Y Moulton, Ms D Parker, and Mr K Ellard had all participated in the internal workshop on 16<sup>th</sup> January 2023 on communications.

Individual Board Members gave feedback on their experiences at the events.

### **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 Training Record for the Board be updated to include those Board members who participated in the workshop on 16<sup>th</sup> January 2023, as reported at the meeting.

## **12. Part I reports presented to the most recent Pension Fund Committee**

The Board discussed a report on the items considered by the Pension Fund Committee on 25<sup>th</sup> November under Part I of the agenda and the Head of Fund confirmed that an unqualified position was expected in relation the Fund accounts



when they were considered by the Audit, Risk and Governance Committee on 30<sup>th</sup> January 2023.

The Responsible Investment policy of the Fund was also discussed, and it was suggested that the current position on investment in controversial weapons be considered.

**Resolved:**

1. That the Part I reports considered by the Pension Fund Committee on 25<sup>th</sup> November 2023 and the subsequent decisions taken are noted.
2. That the Head of Fund arrange for a meeting to be held with Frances Deakin, the Head of Responsible Investment at LPPI, and County Councillor Salter to consider the current LCPF Responsible Investment Policy in relation to controversial weapons.

**13. Urgent Business**

No items of urgent business were raised at the meeting.

**14. Programme of meetings 2023/24**

**Resolved:** That the following programme of meetings is approved, with all meetings to be held at County Hall, Preston, starting at 2pm.

11<sup>th</sup> July 2023  
17<sup>th</sup> October 2023  
23<sup>rd</sup> January 2024  
2<sup>nd</sup> April 2024

**15. Date of Next Meeting**

It was noted that the next scheduled meeting of the Board would be held at 2.00pm on 4<sup>th</sup> April 2023 in Committee Room 'B' - The Diamond Jubilee Room at County Hall, Preston and preceded by an induction event for new Board members in the morning.

**16. 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

The Chair briefly paused the meeting at this point to allow Board members to have a break while the livestream of the meeting was turned off.





## 17. 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 Head of Fund updated the Board on the successful migration of HR, finance, and procurement services to the new Oracle/Fusion system.

The Managing Director of Local Pensions Partnership Administration Ltd joined the meeting and updated the Board on activity since the new pension administration system (UPM) became operational in October 2022 as part of Project PACE including.

- Focussing attention on the clearing of any backlogs resulting from the transition.
- Continued training and development of LPPA staff
- The appointment of a Client Relationship Manager and introduction of a dedicated email box to improve lines of communication with clients.

It was noted that following implementation of UPM there had been delays regarding monthly reporting from some employers and that the situation was being closely monitored. The Board discussed the monthly return figures for October/November 2022 which the Fund Team received, and the Managing Director undertook to provide further commentary to Board members outside of the meeting.

**Resolved:** That the report presented and updates from the Managing Director of Local Pensions Partnership Administration Ltd on activity following implementation of Project PACE are noted.

## 18. Lancashire County Pension Fund Risk Register 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 Chair presented a report on the management of various risks associated with the Fund as set out in the Risk Register and asked the Managing Director of Local Pensions Partnership Administration Ltd (LPPA) to stay in the meeting while the Board discussed specific risks regarding the implementation of the Universal Pensions Management system (UPM) and the recruitment/retention of staff.

Once the Managing Director had left the meeting the Head of Fund updated the Board on risks associated with recruitment/retention of staff in the LCPF Pensions



Team, and the broadening of the existing risk associated with the Russia/Ukraine conflict to reflect wider geopolitical risks.

The Board also noted that following implementation of the UPM there had been delays to monthly data reporting from several employers. The Fund was monitoring the submission rate and timelines of employer data returns and recognised that whilst the new system embedded there was an increased likelihood of risk associated with data quality.

**Resolved:** That the key risks in the Lancashire County Pension Fund Risk Register, as set out in the report presented, are noted.

## **19. 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 presented a report on the four items considered by the Pension Fund Committee on 25<sup>th</sup> November 2022 under Part II of the agenda and updated Board members on activity associated with the governance review of the Local Pensions Partnership.

**Resolved:** That the reports considered by the Pension Fund Committee on 25<sup>th</sup> November 2022 under Part II of the agenda are noted.

L Sales  
Director of Corporate Services

County Hall  
Preston



**Lancashire Local Pension Board**  
Meeting to be held on Tuesday, 4 April 2023

Electoral Division affected:  
None;

**Annual Review of the Lancashire Local Pension Board.**  
(Appendix 'A' refers)

Contact for further information:  
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**Brief Summary**

A summary report by the Chair of the Pension Board (attached at Appendix 'A') regarding the main points which came out of his series of one-to-one meetings with individual Board members and others together with recommendations for the future.

**Recommendation**

The Board is asked to consider and approve the recommendations of the Chair of the Lancashire Local Pension Board, as set out in Appendix 'A'.

**Detail**

Item 6 (d) of the Terms of Reference for the Lancashire Local Pension Board state that one of the roles of the Chair is to 'facilitate the Annual Review of the effectiveness of the operation of the Board over the previous year and draft a report on the findings for inclusion in the Annual Report of the Fund'.

In January 2023 arrangements were made for Mr W Bourne, the independent Chair of the Board, to have a series of one-to-one meetings with individual Board members, the Chair of the Pension Fund Committee, Head of the Fund, and the Senior Democratic Services Officer to discuss the operation of the Board over the past year. Following the meetings, the Chair has produced a report summarising his findings, a copy of which is set out at Appendix 'A'.

The summary report is presented for information alongside a draft 2022/23 Annual Report from the Pension Board elsewhere on the agenda which, if approved, will be submitted to the Pension Fund Committee in June 2023 for consideration and inclusion in the draft 2023 Annual Report for the Lancashire County Pension Fund which will subsequently be presented to full Council for approval.

## Consultations

All members of the Board have been consulted on the summary report. A copy has also been shared with the Head of the Pension Fund.

## Implications:

This item has the following implications, as indicated:

### Risk management

It is a matter of good governance to regularly review the effectiveness of the operation of the Pension Board as reflected in the requirement for the Chair facilitate an Annual Review as set out at Item 6 (d) of the Terms of Reference for the Lancashire Local Pension Board.

## Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
N/A		
Reason for inclusion in Part II, if appropriate		
N/A		

## Report on the Lancashire Pension Board Appraisal 2023

This report summarises the main points which came out of the one-to-one meetings I held with individual Local Pension Board (“**LPB**”) members, the Chair of the Pension Fund Committee and Lancashire County Council (“**LCC**”) officers and makes recommendations to improve its effectiveness and efficiency.

**William Bourne**, Independent Chair of the Local Pension Board  
31<sup>st</sup> January 2023

### Dates of appraisal meetings

Name	Representative	Date
Steve Thompson (resigned)	Employers	21 <sup>st</sup> November 2022
Yvonne Moulton	Members	24 <sup>th</sup> January 2023
County Councillor Matthew Salter	Employer (LCC)	24 <sup>th</sup> January 2023
Sean Greene	Head of Fund	25 <sup>th</sup> January 2023
Kevin Ellard	Members	25 <sup>th</sup> January 2023
Kathryn Haigh	Members	25 <sup>th</sup> January 2023
County Councillor Eddie Pope	Pension Fund Committee Chair	25 <sup>th</sup> January 2023
Glyn Peach	Employer (LCC)	25 <sup>th</sup> January 2023
Mike Neville	LCC Officer	25 <sup>th</sup> January 2023
Deborah Parker	Members	25 <sup>th</sup> January 2023
Carl Gibson	Employers - Other	N/A

### General

The LPB is obliged to conduct an annual appraisal under its Terms of Reference (Section 6), with the purpose of reviewing and improving its efficiency and effectiveness. As Chair, I also find it helpful to have one-on-one conversations with Board members, the Chair of the Pension Fund Committee and Officers outside the formal LPB meetings. This year most of the one-to-one sessions were held in person, but two were held virtually.

The Board is in the throes of change, as four of the eight members come to an end of their second term. Under the succession plan, new members have been recruited and appointed and are starting to take up their roles, meaning that for three Board members the one-to-one discussions were in effect exit interviews.

In general, there is continuing agreement amongst Board members that the LPB functions effectively and has continued to perform its key role of assisting the Pension Fund Committee

("PFC"). I have highlighted the following areas below where in my view it has added demonstrable value in the past year in addition to its main role of oversight of compliance with regulations:

- Monitoring and providing feedback over the implementation of the new pension administration software for Local Pensions Partnership Administration (i.e., project PACE) and financial software for Lancashire County Council (i.e. Oracle Fusion).
- A more effective risk register where the major risks and their mitigation are properly discussed
- Preparation for the national Pensions Dashboard
- Protection against cyber risk

### **Board Efficiency**

Board Members agreed that the LPB has a good mix of experience and works well as a body, but recognised that there will be a period of evolution as original members retire and new members bed in. The relationship with both Officers and the PFC at Lancashire County Council is good, and Board members are engaged and use their specific expertise to provide useful feedback and input in various areas. The relationship with the Fund's outsourced administrator, LPPA, is also important, and Board members appreciate the regular appearance of the LPPA Managing Director at our meetings to present reports and answer questions.

The mix of expertise on the Board is going to change with the appointment of new members. The Board members appointed over the past year add some useful skills (e.g., cyber fraud and communications) but we will lose some front-line administration experience which has been helpful in holding LPPA to account. This should be taken into consideration when my successor is appointed in 2023.

Steve Thompson was due to reach the end of his second term during this year and resigned in December 2022 to assist with staggering the onboarding of new Board members. Yvonne Moul, Kathryn Haigh, and Carl Gibson will all reach the end of their terms of appointment over the first few months of 2023. They have each added wisdom and expertise to the Board, and I would like to thank them all for their time and efforts over the past eight years.

To replace the outgoing Board members, a recruitment process was held in the autumn of 2022. The Fund member representative vacancies were advertised on the Fund website and the employer representative vacancies circulated amongst the Fund's employers. There were six applications for the two employer representative vacancies and 22 for the two Fund member vacancies. After a sift by officers, an interview panel consisting of myself, a Board member, and a senior Officer interviewed all the employer candidates and four of the Fund scheme member ones. As well as looking at candidates' general knowledge and specific expertise, the panel also considered how they might add to the diversity of the Board.

Following this process, appointments were made as shown below. Two of the appointments are for a shorter initial period to introduce an element of staggering to the membership in future. Where possible new Board members will have an opportunity to attend a Board meeting as an observer before formally taking up their role. An induction event for new Board members and a lunch for all Board members are also arranged in April 2023 so that all Board members have a chance to get to know each other. In addition, as new Board members are on boarded a Q&A session will be held ahead of LPB meetings to help address any questions new members may have about the board papers. Generally, Board members felt that the recruitment process has worked smoothly, but there is recognition that the new appointments will result in some evolution.

<b>Name</b>	<b>Employer/Scheme Member</b>	<b>Start date</b>	<b>Period</b>
Tony Wilkinson	Employers – Local authorities Police & Fire	January 2023	4 + 4 years
Gayna Hart	Scheme Members	April 2023	4 + 4 years
Stephen Dunstan	Employers – Other	July 2023	2 + 4 years
Shima Maka	Scheme Members	July 2023	2 + 4 years

My own role will also come up for public procurement during this year, as I will reach the end of my second term of appointment in October 2023 and the succession plan sets out arrangements to recruit and appoint a new Chair before the end of the year.

The Board meetings during this year were all scheduled for two and a half hours (as recommended last year) and held in person, though some members and presenters chose to attend virtually. Most meetings were held in the Exchange area of County Hall, but some were held in the Committee rooms. It was noted that the seating and arrangements in the rooms can either be beneficial or detrimental to good discussions.

We continue to allocate subject areas to individual Board members to take the lead at LPB debates. Board members have indicated that it is helpful both in stimulating engagement and mitigating the reading burden, and we will continue the practice in 2023. When the agenda is published, I let each member know which items I expect them to lead on and I emphasise that all Board members should still read the reports and contribute to the discussions as they see fit.

With the new members (and Chair) coming on board, there will inevitably be some change to the responsibilities here. However, I propose to wait before doing this until later in the year when all new Board members are in place. It may also be helpful for the newer Board members if the Chair provides a short summary of the context before discussions begin on any substantive agenda item. The current responsibilities are noted under the recommendations.

There has been considerable change to the LCC Pensions Team over the past 18 months, but LPB members were clear again this year that the new team has successfully picked up the baton and they have been impressed by the quality of reports made to them. The LCC Democratic Services team has once again organised meetings and training efficiently, and the general

arrangements of the Board have run smoothly. In this context I would highlight the provision of training and the management of the new appointments to the Board.

### **Board Value for Money and Effectiveness**

After the disruptions caused by COVID-related lockdowns 2022 has finally seen a return to something resembling normal activities. LPB members' ability to provide informed challenge to service providers keeps the latter focused on the Fund's interests, and its non-political nature allows it both to debate issues and to provide comments and advice from a neutral perspective. I have noted some of the areas where this has been the case above.

The Workplan prepared by Officers and approved by both the Board and the PFC ensures that the Board's scrutiny and oversight covers all the areas under its remit. The regulatory update at each meeting ensures that the Board is made aware of any new regulatory and legal developments at an early stage and any possible implications needing to be considered.

One Board member commented that there is an understandable tendency for Board members to concentrate on the content of the papers in front of them, and they may fail to consider other perspectives which should be considered. I view this as something which cannot be the subject of training, but as Chair I may be able to provide the occasional reminder.

I observe that the Board's direct experience as users of LPPA's services can provide helpful and early feedback on specific issues and problems. While Lancashire is only one of LPPA's clients, Board members felt some frustration that better use is not made of this.

### **Training**

Internal training is largely delivered through workshops attended alongside members of the PFC. Members noted that online training was time-efficient and recording it allowed them to watch training session playbacks if they were unable to attend the event itself. Some members commented that face-to-face works better for complex subjects. One training presentation by an external provider fell below expected standards, but otherwise all training was considered of good quality and useful.

Online training should be limited to a maximum of two hours at any one session, as recommended last year, but the point was also made that face-to-face training needs to have sufficient content to make it worthwhile for more distant members travel to County Hall. Those members who attended full day conferences and training programmes said that they had found them useful, both to be able to speak to other delegates as well as for the content.

One Board member suggested compiling a list of training topics to ensure none are missed over a cycle of years. This would also help members gain assurance that they have been fully



trained. Suggestions for training topics to be included in the 2023/24 Training Plan are made under the Recommendations section of this report.

Board members believed that the induction training received was comprehensive and helpful. It may be helpful to remind new members that the Democratic Services team are available for advice if they are struggling to access or navigate training resources, or members of the pension team or myself if they have questions about the content.

### **Topics for 2023**

In 2022 we continued to spend time on the control frameworks and governance over LPPA and the risk register for the Lancashire County Pension Fund, but the single most important topic was the transfer to the new pension administration system combined with the move to monthly data collection. For Lancashire the transition took place on schedule in October 2022 and so we are now in the post-implementation phase, with the immediate need being to ensure a successful transition to monthly data collection. The Board expects to spend time on this and LPPA's service and reporting more generally over the next 12 months.

The issue of adequate resourcing both at LCC and LPPA is considered a high risk on the risk register, and we have debated this regularly over the past 12 months. The underlying background is a national shortage of experienced pension and pension administration staff, but we would like to see some assurance from both the LPPA and LCC that there is a plan in place to address this. Staff shortages risk having detrimental knock-on effects in areas other than those most immediately affected.

Communication and engagement was a topic where we made less progress than we had hoped in 2022. The messaging around PACE was reasonably clear but was left late. The need to re-register names on My Pension Portal is a useful opportunity to check out the Fund members' contact details. There were varying experiences how easy Board members found the process of re-registering. The pressure on resources seems to have led to less engagement with employers than used to be the case prior to LPPA taking over the administration role.

Beyond this there is a range of issues (e.g., McCloud, inflation) as well as good news items such as the total funding level of the Fund where there is scope through communication to provide greater assurance to the Fund's members and employers. There was some concern over the appropriateness of the tone of some LPPA communications. However, the Board's suggestions to LPPA have been constrained by their understandable desire to standardise communications across all their clients and staff shortages. If LPPA are unable to provide what we needed or the service level agreement with LCC does not include what the Fund needs, LCC may have to look how best to provide it from their own resources.

## Recommendations for Consideration

### Board Efficiency

1. Continue to allocate particular areas of Board activities to selected Board members with lead responsibility during discussions. No changes have been made in the short-term, apart from removing Steve Thompson and Kathryn Haigh, but some will be needed later in the year.

Area	Includes	Members
Compliance with regulations and statutory guidance	The Pensions Regulator, Local Government Pensions regulations	KE
Communications	Engagement, Communications policy	DP, CG
Administration	KPIs, ABSs, admin breaches	YM
IT	Systems data protection, cyber	GP, MS
Investment policy documents	Investment Strategy Statement, actuarial report, Responsible Investment	DP
Service providers governance	Local Pensions Partnership Limited, custodian, audit	GP, YM
Risk register		CG, KE

2. 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 members.

### Training

3. Arrange 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. Create a list of training topics to be covered over a cycle of three or four years to ensure that detailed training plans for each year are comprehensive.

### Board Effectiveness

5. Identify and implement a process whereby employers can provide early feedback to LPPA on problems, especially with PACE post-implementation and the move to a monthly data collection.

**Lancashire Local Pension Board**  
Meeting to be held on Tuesday, 4 April 2023

Electoral Division affected: None;
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**2022/23 Training Record and Feedback from Board members on pension related training.**

Contact for further information:  
Mike Neville, Tel: (01772) 533431, Senior Democratic Services Officer  
mike.neville@lancashire.gov.uk

**Brief Summary**

A copy of the 2022/23 Training Record for the Board is presented for information together with details of pension related training involving Board members which has taken place since the last meeting.

**Recommendation**

The Board is asked to note the contents of the 2022/23 Training Record as set out at Appendix 'A' to this report, together with any feedback from individual members given at the meeting in relation to training received since the last Board.

**Detail**

The Training Plan sets out the approach to supporting the learning/development needs of individuals with responsibility for the strategic direction, governance, and oversight of the Fund through their membership of the Pension Fund Committee or the Lancashire Local Pension Board.

Over the last 12 months Board members have had the opportunity to participate in various training sessions including internal workshops, presentations, and external conferences/events. The participation by individual Board members in training events is noted in the Training Record, which informs the Lancashire County Pension Fund Annual Report, and a copy of the 2022/23 Training Record is attached as Appendix 'A' to this report.

Below is a list of pensions related external conferences/events or internal workshops which members of the Board have attended since the last meeting and individual members of the Board are invited to provide feedback on their experiences at the meeting.

**23<sup>rd</sup> February 2023**

**Policy Insights online webinar 'Better Communications with LGPS Members'.**

Participants - Ms Y Moulton and Ms D Parker.

**27<sup>th</sup> February 2023**

**Internal workshop on the Local Pensions Partnership Budget.** Attended by County Councillor M Salter and Mr K Ellard. Ms D Parker confirmed she has watched the recording of the workshop in the online library for Board members.

**24<sup>th</sup> March 2023**

**Internal Workshop - Legal Update**

Participants - Ms K Haigh and Mr K Ellard.

Individual members of the Board are invited to provide feedback at the meeting on their experiences at the events.

### **Consultations**

N/A

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

Without the required knowledge and skills, those charged with governance and decision making may be ill-equipped to make informed decisions regarding the direction and operation of the Pension Fund.

The Training Policy seeks to apply best practice and to ensure compliance with guidance from CIPFA and the Pensions Regulator. Failing to implement an adequate Training Policy and Framework and to regularly review the effectiveness of training arrangements would place the County Council (as Administering Authority) at risk of non-compliance with the Pensions Regulator's Code of Practice No. 14 (Governance and administration of public service pension schemes) and the legislative requirements that this code interprets.

### **Financial**

The Fund's Training Policy forms part of its governance and risk management arrangements which seek to ensure that the members of the Pension Fund Committee and the Lancashire Local Pension Board are well-informed, confident, and knowledgeable participants who work effectively and consistently in the best interests of the Fund and its stakeholders.

The cost of attendance, together with associated travel and subsistence costs, were met by the Lancashire County Pension Fund.

**Local Government (Access to Information) Act 1985**  
**List of Background Papers**

Paper	Date	Contact/Tel
Attendance at external webinar approved by the Head of Fund under the Scheme of Delegation to Heads of Service	15 <sup>th</sup> February 2023	Mike Neville (01772) 533431
Attendance sheet for internal pension related workshop.	27 <sup>th</sup> February 2023 24 <sup>th</sup> March 2023	Mike Neville (01772) 533431
Reason for inclusion in Part II, if appropriate.		
N/A		



## Lancashire Local Pension Board - Training Record for 2022/23

Date	Event/Conference/Workshop/Online	Venue	Provider	Hours
<b>William Bourne (Independent Chair)</b>				
9 May 2022	Internal Workshop – legal update	County Hall & MS Teams	N Bahn, Capsticks.	1.00
13/15 June 2022	PLSA Annual Conference	Gloucestershire.	PLSA	23.50
<b>County Councillor Matthew Salter (Employer representative – Lancashire County Council)</b>				
27 Oct 2022	Fundamentals training (day 1)	Birmingham	Local Govt Pension Scheme	7.55
1 Nov 2022	Presentation on the LPP Governance review	County Hall	L Sales, Director of Corporate Services	1.00
1 Nov 2022	Internal workshop – LCPF Valuation update	County Hall & MS Teams	Mr M Wilson (Mercers)	1.30
10 <sup>th</sup> Nov 2022	Fundamentals training (day 2)	London	Local Govt Pension Scheme	7.55
5 Dec 2022	Internal Workshop – Technical Update from Local Pensions Partnership Administration Ltd	County Hall & MS Teams	Ms J Morville-Smith, LPPA	0.50
20 Dec 2022	Fundamentals training (day 3)	online	Local Govt Pension Scheme	7.55
27 Feb 2023	Internal Workshop – Local Pensions Partnership Budget 2023/24	County Hall & MS Teams	Mr C Rule, Chief Ex & Mr A Taylor, Chief Finance Officer, LPP	1.00
<b>Glyn Peach (Employer representative – Lancashire County Council) wef 19<sup>th</sup> January 2022</b>				
29 June 2022	Internal workshop – LCPF Project PACE and administration Update	County Hall & MS Teams	Rachel Blundell, Operations Director LPPA	1.15
20 July 2022	Internal Workshop – Cyber Security	County Hall & MS Teams	Mr J Avi Dan, LPPI Mr M Master, LCC	1.30
16 Jan 2023	Internal Workshop – LCPF Communications Strategy and Local Pensions Partnership Administration Ltd Communications update.	County Hall & MS Teams	Mr C Dawson Head of Engagement, LPPA	1.30
19/20 Jan 2023	LGPS Governance Conference	Cardiff	Local Govt Association	8.20

<b>Carl Gibson (Employer Representative – Other Employers)</b>				
1 Nov 2022	Internal workshop – LCPF Valuation update	County Hall & MS Teams	Mr M Wilson (Mercers)	1.30
5 Dec 2022	Internal Workshop – Technical Update from Local Pensions Partnership Administration Ltd	County Hall & MS Teams	Ms J Morville-Smith, LPPA	0.50
<b>Kathryn Haigh (Scheme Member Representative)</b>				
9 May 2022	Internal Workshop – legal update	County Hall & MS Teams	N Bahn, Capsticks.	1.15
29 June 2022	Internal workshop – LCPF Project PACE and administration Update	County Hall & MS Teams	Rachel Blundell, Operations Director LPPA	1.15
20 July 2022	Internal Workshop – Cyber Security	County Hall & MS Teams	Mr J Avi Dan, LPPI Mr M Master, LCC	1.30
2 Sept 2022	Internal Workshop – LCPF Annual Report and Accounts	County Hall & MS Teams	P Worth, Worth Technical Accounting Solutions Ltd	1.35
4 Oct 2022	Internal Workshop - TCFD and Stewardship Code	County Hall & MS Teams	Ms F Deakin/Ms J French & Mr J Peach (LPP)	1.30
5 Dec 2022	Internal Workshop – Technical Update from Local Pensions Partnership Administration Ltd	County Hall & MS Teams	Ms J Morville-Smith, LPPA	0.50
16 Jan 2023	Internal Workshop – LCPF Communications Strategy and Local Pensions Partnership Administration Ltd Communications update.	County Hall & MS Teams	Mr C Dawson Head of Engagement, LPPA	1.30
24 Mar 2023	Internal workshop – legal update including breaches	County Hall & MS Teams	Mr G Delderfield, Partner, Eversheds Sutherland.	1.30
<b>Yvonne Moul (Scheme Member Representative)</b>				
29 June 2022	Internal workshop – LCPF Project PACE and administration Update	County Hall & MS Teams	Rachel Blundell, Operations Director LPPA	1.15
2 Sept 2022	Internal Workshop – LCPF Annual Report and Accounts	County Hall & MS Teams	P Worth, Worth Technical Accounting Solutions Ltd	1.35
1 Nov 2022	Internal workshop – LCPF Valuation update	County Hall & MS Teams	Mr M Wilson (Mercers)	1.30
16 Jan 2023	Internal Workshop – LCPF Communications Strategy and Local Pensions Partnership Administration Ltd Communications update.	County Hall & MS Teams	Mr C Dawson Head of Engagement, LPPA	1.30



23 Feb 2023	Policy Insights webinar 'Better Communications with LGPS Members'	Webinar	PLSA	1.45
<b>Deborah Parker (Scheme Member Representative)</b>				
9 May 2022	Internal Workshop – legal update	County Hall & MS Teams	N Bahn, Capsticks.	1.15
29 June 2022	Internal workshop – LCPF Project PACE and administration Update	County Hall & MS Teams	Rachel Blundell, Operations Director LPPA	1.15
20 July 2022	Internal Workshop – Cyber Security	County Hall & MS Teams	Mr J Avi Dan, LPPI Mr M Master, LCC	1.30
2 Sept 2022	Internal Workshop – LCPF Annual Report and Accounts (watched recording in Library).	County Hall & MS Teams	P Worth, Worth Technical Accounting Solutions Ltd	1.35
4 Oct 2022	Internal Workshop - TCFD and Stewardship Code	County Hall & MS Teams	Ms F Deakin/Ms J French & Mr J Peach (LPP)	1.30
1 Nov 2022	Internal workshop – LCPF Valuation update	County Hall & MS Teams	Mr M Wilson (Mercers)	1.30
5 Dec 2022	Internal Workshop – Technical Update from Local Pensions Partnership Administration Ltd (watched recording in online library).	County Hall & MS Teams	Ms J Morville-Smith, LPPA	0.50
16 Jan 2023	Internal Workshop – LCPF Communications Strategy and Local Pensions Partnership Administration Ltd Communications update.	County Hall & MS Teams	Mr C Dawson Head of Engagement, LPPA	1.30
23 Feb 2023	Policy Insights webinar 'Better Communications with LGPS Members'	Webinar	PLSA	1.45
27 Feb 2023	Internal Workshop – Local Pensions Partnership Budget 2023/24 (watched recording in online library).	County Hall & MS Teams	Mr C Rule, Chief Ex & Mr A Taylor, Chief Finance Officer, LPP	1.00
<b>Kevin Ellard (Scheme Member Representative)</b>				
28 April 2022	Overview of the LGPS	Online	Barnett Waddingham	
29 June 2022	Internal workshop – LCPF Project PACE and administration Update	County Hall & MS Teams	Rachel Blundell, Operations Director LPPA	1.15
20 July 2022	Internal Workshop – Cyber Security	County Hall & MS Teams	Mr J Avi Dan, LPPI Mr M Master, LCC	1.30
12/13 Oct 2022	PLSA Conference	Liverpool	PLSA	18.0

1 Nov 2022	Internal workshop – LCPF Valuation update	County Hall & MS Teams	Mr M Wilson (Mercers)	1.30
5 Dec 2022	Internal Workshop – Technical Update from Local Pensions Partnership Administration Ltd	County Hall & MS Teams	Ms J Morville-Smith, LPPA	0.50
16 Jan 2023	Internal Workshop – LCPF Communications Strategy and Local Pensions Partnership Administration Ltd Communications update.	County Hall & MS Teams	Mr C Dawson Head of Engagement, LPPA	1.30
19/20 Jan 2023	LGPS Governance Conference	Cardiff	Local Govt Association	8.20
27 Feb 2023	Internal Workshop – Local Pensions Partnership Budget 2023/24	County Hall & MS Teams	Mr C Rule, Chief Ex & Mr A Taylor, Chief Finance Officer, LPP	1.00
24 Mar 2023	Internal workshop – legal update including breaches	County Hall & MS Teams	Mr G Delderfield, Partner, Eversheds Sutherland.	1.30
<b>Tony Wilkinson (Employer Representative) resigned w.e.f. 6<sup>th</sup> March 2023</b>				
-	-	-	-	-
<b>Steve Thompson (Employer Representative) replaced by T Wilkinson w.e.f. 1<sup>st</sup> January 2023</b>				
-	-	-	-	-

**Lancashire Local Pension Board**

Meeting to be held on Tuesday, 4 April 2023

Electoral Division affected:  
N/A;

**Lancashire Local Pension Board - Annual Report 2022/23**

(Appendix 'A' refers)

Contact for further information:

Mike Neville, (01772) 533431, Senior Democratic Services Officer,

[mike.neville@lancashire.gov.uk](mailto:mike.neville@lancashire.gov.uk)

**Brief Summary**

The Terms of Reference for the Pension Board include a requirement for an Annual Report on Board activities to be produced for consideration by the Pension Fund Committee as Administering Authority for the Lancashire County Pension Fund.

**Recommendation**

The Board is asked to approve the draft Annual Report for 2022/23, as set out at Appendix 'A', and recommend it to the Pension Fund Committee on 16<sup>th</sup> June 2023 for approval and inclusion in the Lancashire County Pension Fund Annual Report.

**Detail**

The Terms of Reference for the Lancashire Local Pension Board include the requirement that the Board "shall on an annual basis produce a report on both the nature and effect of its activities for consideration by the Administering Authority".

The Chair of the Pension Board has produced a draft Annual Report for 2022/23 (attached at Appendix 'A') which includes the following.

- Details of Board member attendance at meetings.
- Training and development events which Board members have participated in during the year.
- The operational cost of the Board.
- Summary of the Boards activity during the year

Subject to the Board's approval, the Annual Report will be presented to the Pension Fund Committee on 16<sup>th</sup> June 2023 for consideration and, if approved, will then be incorporated into the Lancashire County Pension Fund's Annual Report when it is submitted to Full Council for approval.

## Consultations

N/A

## Implications:

This item has the following implications, as indicated:

## Risk management

There are no significant risks associated with the proposals set out in this report.

## Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
Attendance Sheets for meetings of the Lancashire Local Pension Board	April 2022 to March 2023	Mike Neville (01772) 533431
The Training Record for members of the Lancashire Local Pension Board	April 2022 to March 2023	Mike Neville (01772) 533431

Reason for inclusion in Part II, if appropriate

N/A



## **Lancashire Local Pension Board – Annual Report 2023**

This is my final report as Independent Chair of the Local Pension Board (“the Board”). I was appointed when the Board was first established eight years ago and will stand down in October 2023.

While the legal remit of the Board to assist the Pension Fund Committee (“the Committee”) with oversight and the effective running of the Fund has not changed, the Board’s role has evolved over this period. The Fund has also outsourced responsibility for investment implementation and for administration to Local Pensions Partnership Investments (LPPI) and Local Pensions Partnership Administration (LPPA) respectively.

Against this changing background the Board has had to establish our role and find ways to add value within the Fund’s governance structure. We have also sought ways to represent scheme members and employers effectively. The lockdowns over COVID have brought additional changes to the way which both the Fund and our service providers operate, which the Board has had to adjust to.

After eight years we have created a template to achieve our objectives. At the core is an annual Work Plan, approved by the Committee, to ensure that we cover all the activities we should and that our workflow is aligned with theirs. Our regular duties at every meeting include reviewing and commenting on the reports and compliance assurances which support the Fund’s activities. We always look at the service performance indicators and any breaches which may have occurred as well as the risk register for the Fund. We may additionally focus on specific governance or administration projects or areas, including at times working with Officers or members of the Committee.

Our role is to assist the Committee and a good relationship between the two bodies is therefore essential. I meet County Councillor Pope (Chair of the Committee) regularly and attend as many Committee meetings as I can. We also regularly welcome County Councillor Pope and other Committee members to our meetings.

### **Membership of the Pension Board**

The Board has nine members: four Employer representatives, four Scheme Member representatives, and an Independent Chair. Members serve a maximum of either six or eight years, and, apart from the Chair, are not remunerated other than for expenses incurred in attending meetings or training.

During this year, there has been significant turnover in the membership of the Board. Four members, Steve Thompson, Kathryn Haigh, Yvonne Moulton and Carl Gibson,

come to the end of their second term during the first half of 2023. They have all been Board members since its establishment and have performed stalwart service on behalf of the Fund. I would like to thank them for it.

We recruited four new Board members in the autumn of 2022, who are joining the Board over the course of the first six months of 2023. We received a total of 29 applications for the four posts, which shows a healthy level of interest among employers and scheme members in the Board's activities. We interviewed ten candidates and appointed two employer representative and two scheme member representatives to replace existing Board members on a phased basis as they approached the end of the terms of appointment. Unfortunately, recently one of the new employer representatives (Tony Wilkinson) has been obliged to resign from the Board due to a change of circumstances and we are currently recruiting to fill the vacancy. I am therefore delighted to welcome Gayna Hart, Shima Maka, and Stephen Dunstan to the Board and am sorry to see the departure of Tony Wilkinson.

My second term came to an end in March 2023, but this has been extended till October 2023 to provide continuity until the new Board members are all on board. An exercise to recruit a new Independent Chair from that date has already started.

The Board has a budget to cover both its expenses and to allow it to commission reports if required. During the year the cost of running the Board came to £11186.33.

### Attendance of Board Members at Meetings

The Board has a cycle of 4 meetings and meets in person though some presenters and Board members attended meetings virtually if appropriate. Details of individual members' attendance at Board meetings together with in-year changes to the membership of the Board, are set out below.

Name	Representing	5 <sup>th</sup> July 2022	18 <sup>th</sup> October 2022	24 <sup>th</sup> January 2023	4 <sup>th</sup> April 2023
W Bourne	Independent Chair	Present	Present	Present	TBC
County Councillor M Salter	Employer rep – LCC	Present	Present	Present	TBC
G Peach	Employer rep - LCC	Present	Present	Present	TBC
S Thompson	Employer rep – Unitary, City, Borough, Police & Fire	Present	Present	Resigned	Resigned
T Wilkinson	Employer rep – Unitary, City, Borough, Police & Fire	N/A	N/A	Present	Resigned
C Gibson	Employer rep - Others	Present	Present	Present	TBC
Ms K Haigh	Scheme Member rep	Present	Apologies	Present	Resigned
Ms Y Moulton	Scheme Member rep	Apologies	Present	Present	TBC

Ms D Parker	Scheme Member rep	Present	Present	Present	TBC
K Ellard	Scheme member rep	Present	Present	Present	TBC
Ms G Hart	Scheme Member rep	N/A	N/A	Observer	TBC
S Dunstan	New Employer rep – Other	N/A	N/A	N/A	Observer
Ms S Maka	New Scheme Member rep	N/A	N/A	N/A	Observer

## Changes to the Membership of the Board

Anthony Wilkinson, Lancashire Constabulary replaced, Steve Thomson, Blackpool Council as the employer representative for – Unitary, City, Borough, Police & Fire on the Board with effect from 1<sup>st</sup> January 2023. As referred to earlier in the report Anthony Wilkinson has subsequently resigned from the Board with effect from 6<sup>th</sup> March.

Gayna Hart replaced Kathryn Haigh as a scheme member representative with effect from 1<sup>st</sup> April 2023.

Stephen Dunstan is due to replace Carl Gibson as employer representative – Other with effect from 1<sup>st</sup> May 2023 and Shima Maka replaces Yvonne Moulton as a scheme member with effect from the same date. Both are invited to attend the Board meeting in April 2023 as observers.

## Training

The Board is under a legal obligation to ensure its members maintain their levels of knowledge and understanding through regular training. We conduct an analysis of training needs once a year as part of our own annual efficiency review, which becomes an agenda item at our next meeting. Internal training workshops during this year were conducted on a hybrid basis in conjunction with the Committee, with recordings being made available for those unable to attend. Board members also have opportunities to attend external training events during the year and are expected to complete the online training modules from The Pension Regulator's Public Service toolkit. A comprehensive induction programme was arranged for the new Board members.

During the year the year training was available to Board members on the following subjects:

Date	Training event
24 <sup>th</sup> Mar 2023	Internal Workshop – Legal update
27 <sup>th</sup> Feb 2023	Internal workshop – LPP Budget
23 Feb 2023	Policy Insights webinar 'Better Communications with LGPS Members'

19/20 Jan 2023	LGPS Governance Conference 2023
16 Jan 2023	Internal workshop - Communications Strategy and LPP Comms Update
20 Dec 2022	Fundamentals Training (day 3)
5 Dec 2022	Internal Workshop – Technical Update from Local Pensions Partnership Administration Ltd
10 Nov 2022	Fundamentals Training (day 2)
1 Nov 2022	Internal Workshop – Valuation 2022 update
1 Nov 2022	Presentation 1 on LPP Governance Review
27 Oct 2022	Fundamentals Training (day 1)
12/13 Oct 2022	PLSA Conference
4 Oct 2022	Internal Workshop - TCFD and Stewardship Code
2 Sept 2022	Internal Workshop – LCPF Annual Report and Accounts
20 July 2022	Internal Workshop – Cyber Security
13/15 July 2022	PLSA Annual Conference
29 June 2022	Internal workshop – LCPF Project PACE and administration Update
9 May 2022	Internal workshop – Legal Update
28 Apr 2022	Overview of the Local Government Pension Scheme

The table below shows the number of internal and external training events individual Board members attended during the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

Name	Internal events	External Events	Total
W Bourne	1	1	2
County Councillor M Salter	4	3	7
G Peach	3	1	4
S Thompson	0	0	0
C Gibson	2	0	2
K Haigh	7	0	7
Y Moulton	4	1	5
K Ellard	6	3	9
D Parker	9	1	10
A Wilkinson	0	0	0

Further information about the Board, including agenda/minutes, can be viewed on the [Lancashire County Council Website](#).

## Activities

The year's activities have been dominated by changes in software systems. As I previewed last year, Local Pensions Partnership Administration Ltd (LPPA) undertook a major project to consolidate their clients' pension administration software systems into a single one. As a result the Fund moved to a different



software system in October 2022 at almost the same time as Lancashire County Council changed to a new payroll and financial system.

These were both major and related projects requiring risk management ahead of the switch over and monitoring at the time of it. There has also been a shift to monthly rather than annual data collection. Members were successfully moved to the new system and the Fund's payroll reconciled at the end of October 2022. At the same time the employer and member portals both went live. As expected with a project of this size and pace, there have been challenges, especially as there is a national shortage of experienced administration staff. The Board discussed these risks at every meeting with representatives from LPPA and pro-actively gave accurate and constructive feedback on issues faced by employers and scheme members as the new systems were implemented.

As part of the project, the regular Key Performance Indicators were temporarily relaxed at various times to allow LPPA staff to concentrate on implementation of the administration project. Over the past year, LPPA in some cases failed to achieve these, and the Board has discussed with them what needs to be put in place to ensure that service returns to normal standards in 2023.

The core of the Board's work remains one of oversight. At every meeting, we look at any breaches of the regulations and consider the Key Performance Indicators agreed with LPPA as indicators or performance levels. This year we also reviewed statutory statements such as the Actuarial Valuation, the Funding Strategy Statement and the Communications and Breach Reporting policies. Board members are all users of the Fund, (either as employers or scheme members of the Fund), and in many cases have specific expertise which is the basis for providing useful and relevant feedback to the Committee.

I commented last year that we are still expecting significant regulatory change over the next 12 months, and that remains the case. We are still waiting for:

- The Pensions Regulator to combine the public sector Code of Practice 14 with nine other codes covering pension funds (expected in 2023);
- DLUHC (the Department of Levelling UP, Housing, and Communities) to publish new investment regulations and guidance, including further requirements on pooling and possibly levelling up (consultation expected in 2023);
- New statutory guidance to implement the recommendations made in the Scheme Advisory Board's 2019 Good Governance project.

Where we can prepare for this, as for example with the Single Code of Practice, we have done so, but it is not always possible until the legislation is published.

DLUHC is keen to accelerate the pooling process to achieve economies of scale. LPPI, the pool which the Fund belongs to, is in a good position in that it has successfully onboarded almost all its partner funds' assets and is well aligned with the other requirements the Government has set. However, at £23bn it remains smaller than the Government's targeted size of around £50bn.

The Board's role will be to act as a second pair of eyes to help the Committee ensure the Fund is compliant with these changes as they become legal or regulatory requirements.

Looking ahead to next year the Board's activities are likely to be dominated by the continuing implementation of the new pension administration software and the move to a monthly data collection. It is important both that service standards return to their previous levels and that the new software generates either cost savings or other benefits to employers and scheme members. LPPA's increasing standardisation across their clients is both inevitable and desirable from a cost perspective, but there will be occasions when communication needs to be more specific to the members and employers within the Lancashire County Pension and we will work with the Fund's officers and LPPA to find ways of achieving this.

Under the Board's Terms of Reference, I am required to make a statement in respect of my annual review of the Board's effectiveness. I conducted this in January 2023 and made recommendations which were discussed at our Board meeting in April 2023. I believe the Board operates effectively and efficiently and fulfils its legal and regulatory requirements.

The Board is supported by the Pensions Fund and the Democratic Services teams at Lancashire County Council. The Board's ability to function and the Fund's success in dealing with the considerable challenges it has faced during the last eight years relies on their efforts. On behalf of the Boards members as well as myself personally, I would like to finish by thanking them. I know they will provide the same level of support to my successor, which will make his or her role easier.

**William Bourne**, Independent Chair of the Lancashire Local Pension Board  
April 2023

**Lancashire Local Pension Board**  
Meeting to be held on Tuesday, 4 April 2023

Electoral Division affected:  
(All Divisions);

## Regulatory Update

Contact for further information:  
Julie Price, 01772 530848, Technical Pensions Lead, Lancashire County Pension Fund, Julie.Price5@lancashire.gov.uk

### Brief Summary

This report sets out an update on various pension related regulatory issues to assist Board members to exercise their functions as a member of the Pension Board effectively.

### Recommendation

The Board is asked to consider and note the contents of the report.

## Detail

### 1. McCloud - Regulations

Following the 'McCloud' and 'Sargeant' Court Cases, the Government is making amendments to the statutory underpin introduced in April 2014, as it was found to discriminate against younger members. The first consultation on draft regulations to amend the statutory underpin ran from 16 July 2020 to 8 October 2020. A response to this consultation is expected, along with further updated draft LGPS regulations, and the final regulations are expected to come into force in October 2023. There is concern about the lateness of the final regulations given the changes that will need to be made to pension calculations software to deliver the McCloud remedy.

On 6 February 2023, the Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023 were laid. These regulations follow the consultation that ran from 24 November 2022 to 6 January 2023 and put members who are affected by the McCloud remedy "as far as possible, into the tax position they would have been in had the discrimination not happened". The regulations come into force on 6 April 2023.

## 2. McCloud – Data

The Scheme Advisory Board (SAB) has published guidance to help administering authorities with McCloud data issues. The guidance sets out what options administering authorities may consider if they are unable to collect data needed to implement the McCloud remedy. It covers both missing data and data the administering authority is not confident is accurate. Lancashire County Pension Fund employers continued to submit hours and service break data after the introduction of the 2014 Scheme, however Local Pensions Partnership Administration (LPPA) are asking all employers to attest to the quality of this data.

## 3. McCloud – Fire Brigades Union vs HM Treasury Judicial Review

The Fire Brigade's Union (FBU) and five other unions had claimed that the outcome of the costs control mechanism for the 2016 valuations should result in a reduction in member contributions and/or an improvement in benefits, and that the HM Treasury directions undo this by factoring in the cost of the *McCloud* remedy.

The full judgement has now been published. The High Court ruled in favour of HM Treasury on all grounds. The judge also refused permission to appeal, but the FBU and other parties are able to apply for permission to appeal directly to the Court of Appeal. The full judgment [can be read here](#).

Had the unions been successful, this could have had an impact on the costs control mechanism for other schemes including the LGPS.

## 4. McCloud – Part-Time Teachers

Another issue raised by the implementation of the McCloud remedy is that in the Teachers' Pension Scheme (TPS) some teachers will be retrospectively eligible for the LGPS for the period from 1 April 2015 to 31 March 2022. This is because in the Teacher's final salary scheme if a teacher had a part time employment in addition to their full-time employment, they were in many cases eligible for LGPS in the part time employment. The Department for Education (DfE) and DLUHC will consult on how this will work in practice in due course. DfE has estimated that approximately 18,000 teachers nationwide are in scope, so we expect the number of members for the Lancashire fund to be in the low hundreds. These will be a mix of active, deferred and pensioner members.

## 5. Pensions Dashboards

The Department of Work and Pensions (DWP) has announced a delay to the Pensions Dashboards Programme in a [written ministerial statement](#), stating that a "new plan for delivery" will be developed.

It was reported in the regulatory update to the Local Pensions Board in January 2023 that the staging deadline for public service pension schemes had been confirmed as 30 September 2024 (for find requests) and 1 April 2025 (for value data). These staging dates would be ahead of the "Dashboard Available Point" when all Dashboard services would be made available to the public. It is not clear if these connection deadlines for public service pension schemes will change. The Pension

Regulator urges schemes "to continue preparing for dashboards, in particular by getting to grips with members' data.". LPPA are continuing their preparations in line with the original deadlines.

TPR are holding a [free webinar](#) on 30 March 2023 about "getting to grips with your data".

## 6. Budget 2023

It has been reported that the Lifetime Allowance (LTA) charge will be removed from April 2023, before the Allowance is abolished entirely in a future finance bill (expected to be effective from April 2024). The Lifetime Allowance is the tax-free limit for pension savings during a lifetime, and the current limit is £1.0731 million. It is thought that the charge will no longer apply for benefit crystallisation events (for example, retirements) from 6 April 2023, but the LTA figure will still be used for some calculations up to April 2024, for example to work out the maximum tax-free cash that a member can take at retirement.

The annual allowance will remain in place but will go up from £40,000 to £60,000 from April 2023, after being frozen for nine years. Those who are already drawing a pension who want to save more will be able to put in £10,000 a year, up from £4,000. Details will be confirmed in the Spring Finance Bill 2023.

Also announced in the budget, the government is challenging the Local Government Pension Scheme in England and Wales to move further and faster on consolidating assets – it is expected that a forthcoming consultation will propose LGPS funds transfer all listed assets into their pools by March 2025 and set direction for the future which may include moving towards a smaller number of pools in excess of £50 billion to optimise benefits of scale. In addition, the Government will also consult on requiring LGPS funds to consider investment opportunities in illiquid assets such as venture and growth capital, thereby seeking to unlock some of the £364 billion of LGPS assets into long-term productive assets. In terms of Lancashire County Pension Fund, 100% of the Fund's assets are managed by Local Pensions Partnership Investments Limited and 96% of assets are pooled.

## 7. DLUHC Cost Management Process Consultation

There are [two cost management processes](#) for the LGPS – the HM Treasury (HMT) and the Scheme Advisory Board (SAB) processes. The SAB Cost Management Process (CMP) has target costs for employer and employee contributions, and SAB will make recommendations for scheme changes if there is movement from the target in either direction. The SAB scheme cost assessment operates independently of, and prior to, the HMT directed cost control mechanism (CCM). The HMT CCM is focussed on employer contributions and has a role in standardisation of the cost control processes across public service pension schemes.

It was reported in the regulatory update on 18 October 2022 that separate legislation has widened the cost corridor from 2% to 3%.

DLUHC launched a [consultation](#) on reforms to the SAB CMP, which closed on 24th March 2023.

The HMT process moved to a four-year cycle in line with other public service pension scheme valuations in 2018. One of the proposals in the current consultation is to move the SAB CMP to a 4-year cycle to bring it in line. The consultation documents state "Amending the regulations to bring the scheme valuation and cost control process in line with the scheme valuations in the other public service pension schemes every four years will align the government and SAB mechanisms and allow the SAB CMP to operate immediately prior to the HMT CCM."

Note that this does not change the requirement to undertake individual LGPS Fund valuations on a triennial basis.

The consultation also proposes giving flexibility to SAB by removing the requirement to make recommendations on scheme changes if the target is breached and introduces an economic check to be considered before any scheme changes.

SAB's response to the consultation is generally supportive, the full response [can be found here](#).

## **8. Confirmation of annual revaluation and pensions increase**

On 20 February 2023, HM Treasury (HMT) published a written ministerial statement confirming the rates of annual revaluation, earnings and pensions increase (PI) due to apply in April 2023.

The statement confirms:

- public service pensions will increase on 10 April 2023 by 10.1 per cent, in line with the Consumer Prices Index (CPI) up to September 2022
- annual revaluation of 10.1 per cent plus any local addition will be used to revalue the 2014 / 2015 CARE accounts in April 2023 for those public service pension schemes that rely on prices as the measure for revaluation

The employee contribution table for 2023/4 will also be affected. The contribution bands are calculated by increasing the 2022/23 bands by the September 2022 CPI figure of 10.1 per cent and then rounding down the result to the nearest £100.

These changes will impact on the Local Government Pension Scheme. LPPA have communicated this to members on the news pages of their website and will be issuing a year end bulletin to employer contacts.

## **9. Changing Scheme Revaluation Date**

As reported in the Regulatory Update to the Board in January 2023, DLUHC had been considering a change to the annual revaluation date for the LGPS benefits to stop the inadvertent impact of inflation on the annual allowance. A consultation on draft regulations changing the annual revaluation date in the LGPS ran from 10 February to 24 February 2023.

The regulations remove the impact of inflation on the annual allowance, by changing the annual revaluation from the 1<sup>st</sup> to 6<sup>th</sup> April 2023, and thereafter on each 6<sup>th</sup> of April, for all members. However, this will not apply to those members who were already deferred or in receipt of a pension since before 1<sup>st</sup> April 2022.

DLUHC responded to the consultation on 9 March 2023, confirming that it will be proceeding with the change. On the same day, it laid the Local Government Pension Scheme (Amendment) Regulations 2023, which take effect from 31 March 2023

Local Government Association will be issuing a bulletin to set out the impact of the change.

## **10. Transfers - Reporting Concerns to the FCA**

The Financial Conduct Authority has said that it wants to hear from pension schemes who have carried out checks and have serious concerns about a pension transfer. It has set out a [list of things](#) that it would like schemes to report to it and confirmed how schemes should report. The list is predominantly of concerns that would now raise red or amber flags in the transfer out process. LPPA already have a step to report concerns to FCA within their transfer processes.

## **11. Expansion of Auto Enrolment**

On 3 March 2023, DWP confirmed it will support the private members bill expanding Auto Enrolment. The Pensions (Extension of Automatic Enrolment) (No.2) Bill 2023 proposes to give Government regulatory making powers to:

- abolish the Lower Earnings Limit for contributions – currently £6,250; and
- reduce the age of auto enrolment for eligible jobholders – down from 22 to 18.

Government has not given a timetable for when the changes may take effect. Under the regulations that govern the LGPS most new employees are contractually enrolled into the Scheme. As such the above changes would have limited impact on LGPS.

### **Consultations**

N/A

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

Without the required knowledge and skills, those charged with governance and decision making may be ill-equipped to make informed decisions regarding the direction and operation of the Pension Fund.

**Local Government (Access to Information) Act 1985**  
**List of Background Papers**

Paper	Date	Contact/Tel
N/A		

Reason for inclusion in Part II, if appropriate

N/A





**Lancashire Local Pension Board**  
Meeting to be held on Tuesday, 4 April 2023

Electoral Division affected:  
N/A;

**Communications Update**  
(Appendix 'A' refers)

Contact for further information:  
Junaid Laly, Special Projects Pensions Lead, 01772 532767,  
Junaid.Laly2@lancashire.gov.uk

**Brief Summary**

This report provides the Board with a communications update from the Local Pensions Partnership Administration Limited (LPPA) Engagement and Communications Team and the Pension Fund Team.

**Recommendation**

The Board is asked to note this report.

**Detail**

LPPA provides communication and engagement services for the Lancashire County Pension Fund (LCPF) to all scheme members and employers.

The update from LPPA set out at Appendix 'A' provides information on the Engagement Activities for Quarter 4 (January to March 2023) and the executive summary by Chris Dawson, Head of Engagement at LPPA, sets out some key highlights for the previous quarter.

The Report at Appendix 'A' also details the following activities of the LPPA Engagement, Marketing and Communications Team:

- Engagement Activities Q4 2022/23 (Jan 23 to March 23)
  - Employer and Member Training
  - Employer Visits and Support
  - Engagement Team Update
  - Member Communications
  - Member Sessions
  - Employer Communications
- Planned Activity Q1 2023/24

- LCPF Employer Activities
- LCPF Planned Employer Communications
- LCPF Member Activities

Following the transition to UPM, LPPA have continued to deliver their engagement objectives successfully.

There has been focussed activity to engage with Employers to support them in submitting their monthly returns.

The number of members registered on PensionPoint now stands at 22% in comparison to 12.1% reported at the last Pension Board. Member communications will see a further focus on PensionPoint registrations and engagement.

The award of 10.1% Pensions Increase is now available to view on LPPAs website.

## **Pension Fund Team Update**

- **Funding Strategy Statement Consultation**

The Funding Strategy Statement Consultation has now been closed and this has been reflected on the LCPF website. The Pension Fund Committee approved the revised Funding Strategy Statement and associated policies (which took into account feedback from the consultation) and the pensions team is working through actions to finalise the 2022 Valuation.

Further information on the Funding Strategy Statement is covered in a Part II report presented to the Pension Fund Committee on the 10<sup>th</sup> March 2023 which is available for Board members to view via the online library.

- **Local Pension Board Recruitment**

- **LPB Chair Role**

The advert for the Independent Chair of the Pension Board is now live on the LCPF Website and has also been advertised via appropriate external forums. The deadline for receipt of applications is 21<sup>st</sup> April 2023.

- **LPB Police, Fire, Districts and Unitary Authority Representative**

Following the resignation of the recent appointee there is now a vacancy for the Employer representative for Unitary, City and Borough Councils and Police and Fire on the Local Pension Board. The advert for the role has been published on the LCPF website and will be shared with the Chief Executives of the above organisations.

The closing date for applications is 30<sup>th</sup> April 2023 with interviews expected to take place week commencing 15<sup>th</sup> May 2023.

## Consultations

Head of Engagement, Marketing and Communications LPPA

### Implications:

This item has the following implications, as indicated:

### Risk management

The Fund has a statutory responsibility to communicate effectively with members and employers.

## Local Government (Access to Information) Act 1985

### List of Background Papers

Paper	Date	Contact/Tel
N/A	N/A	N/A

Reason for inclusion in Part II, if appropriate

N/A





Local Pensions Partnership  
Administration



WORKING  
TOGETHER



FORWARD  
THINKING



COMMITTED TO  
EXCELLENCE



DOING THE  
RIGHT THING

## **LPPA Engagement, Marketing & Communications Team Report March 23**

### **Section 1**

#### ***Engagement Activities Q4 2022/23 (Jan 23 – March 23)***

### **Section 2**

#### ***Planned Activity Q1 2023/24 (April 23 – June 23)***

This report provides an overview of activities undertaken by the LPPA Engagement, Marketing & Communications Team in the period January to March 2023, and activities the team will be undertaking in the next 3 months.

### **Executive Summary**

In Q4, there have been various communications and engagement activities which have supported LCPF members and employers, including the transition to the UPM Employer Portal, monthly return upload training for employers and PensionPoint navigation for members.

For Q1, the focus will continue to be on monthly returns and navigating the UPM employer portal, and sessions on how to complete and upload the leaver form on the UPM employer portal.

For members, the focus in April and May will be on providing access to P60's documents (22/23) in PensionPoint.

All engagement and communication objectives were successfully delivered during the period, and plans are on track for Q1 (further detail is provided in the report).

Chris Dawson  
Head of Engagement, Marketing & Communications (LPPA)

10 March 23

## 1 Engagement Activities Q4 2022/23 (Jan 23 to March 23)

\*Activities up to 3 March 2023

### 1.1 Engagement Activity – Employer and Member Training

Date	Activity	Employer Name	Number Attended
05/01/2023	Submitting Monthly Returns	LCPF Employers	8
09/01/2023	Pre-retirement (True Bearing)	Lancashire County Council	22
10/01/2023	UPM Employer Portal	LCPF Employers	4
10/01/2023	Making Sense of Your Pension	LCPF Members	12
12/01/2023	Making Sense of Retirement	LCPF Members	11
17/01/2023	Submitting Monthly Returns	LCPF Employers	5
19/01/2023	LGPS Scheme Essentials	LCPF Employers	9
02/02/2023	Submitting Monthly Returns	LCPF Employers	6
06/02/2023	Pre-retirement (True Bearing)	Lancashire County Council	19
07/02/2023	Pre-retirement (True Bearing)	West Lancashire Council	27
07/02/2023	Making Sense of Retirement	LCPF Members	9
09/02/2023	Pre-retirement (True Bearing)	Edgehill University	21
09/02/2023	Making Sense of Your Pension	LCPF Members	9
09/02/2023	UPM Employer Portal	LCPF Employers	7
21/02/2023	New Recruits (PCSOs)	Lancashire Police	30
22/02/2023	Submitting Monthly Returns	LCPF Employers	7
27/02/2023	Pre-retirement (True Bearing)	Preston Council	20

#### Summary of data table above:

Pre - Retirement LG (True Bearing): LPPA deliver pre-retirement sessions (same content as the Retirement Essentials workshops) and True Bearing are the organisers.

### 1.2 Engagement Activity – Employer visits and support

In addition to the employer and member training sessions delivered during Q4, there have been virtual employer visits and support sessions held. These have had a focus on navigating the UPM employer portal and uploading the Monthly Return via the portal.

Date	Session	Employer Name	Number attended
03/01/2023	Employer Visit (support)	Safenet	1
04/01/2023	Employer Visit (support)	Lancaster City Council	1
06/01/2023	Employer Visit (support)	Liberata (Pendle)	1

16/01/2023	Employer Visit (support)	Blackburn with Darwen	6
23/01/2023	Employer Visit (support)	Burnley College	1
24/01/2023	Employer Visit (support)	Preston College	5
31/01/2023	Employer Visit (support)	Lancaster City Council	1
03/02/2023	Employer Visit (support)	Burnley College	1
03/02/2023	Employer Visit (support)	Belthorn Academy	1
06/02/2023	Employer Visit (support)	Preston College	1
07/02/2023	Employer Visit (support)	Preston College	5
10/02/2023	Employer Visit (support)	Wyre B.C	1
10/02/2023	Employer Visit (support)	YMCA Fylde Coast	1
17/02/2023	Employer Visit (support)	Nelson & Colne College	1
03/03/2023	Employer Visit (support)	Lancashire Police (LG)	3

### 1.3 Engagement Team Update

The focus for the Engagement Team in Q4 has been the transition to the UPM Employer Portal, monthly return uploads for employers and PensionPoint navigation for members. This has been delivered through group training sessions and support visits.

All member and employer training sessions continue to be bookable via the LPPA website on designated training pages, with Q4 dates currently available to book.

### 1.4 Member Communications

There have been various communications issued in Q4:

- A [follow up PensionPoint email](#) was issued to LCPF members who hadn't already registered for the portal, which went live on 28 October 2022.
- **PensionPoint update** (7 March) –The following figures represent the number of LCPF members who have registered to date:

Active members 15,701  
Deferred members – 9,802  
Retired members and beneficiaries – 15,046  
**Total 40,549**

This represents 22% of the total LCPF membership base, and is ahead of target (10% of all members 6 months following launch, 20% at 12 months)

- A [member panel email](#) (which includes LCPF members) asking for feedback on the new LPPA [Help Hub](#), which was launched in December on the LPPA website
- We've also sent out an additional email (to a cross-section of members from all clients) inviting more members to join the member panel.
- Our regular [retirement survey](#) has been sent out to LCPF (and other) members who have recently been through the retirement process

- A [pension increases](#) web page has been created to update members on the latest pension increases.
- A number of bite-sized [video FAQs](#) have been created to help answer some of the more popular member questions.
- A number of LinkedIn posts have been created covering a wide range of topics from [pension health checks](#) and [Cyber Essentials Plus certification](#) to [Pension increases](#) and [safer internet day](#)

## 1.5 **Member Sessions**

All member sessions are bookable via LPPA Member Training page.

### ***Making Sense of your Pension (online sessions)***

These two-hour online sessions are aimed at members to help improve their knowledge of their LGPS pension, whether they have recently joined the scheme, or have been in the scheme a while.

### ***Making Sense of Retirement (online sessions)***

These two-hour online sessions are aimed at Members who are reaching retirement age (age 55 and over) to help improve their knowledge of the retirement process and claiming their LGPS pension.

Date	Subject	Number of LCPF members attending
10/01/2023	Making sense of your pension	12
12/01/2023	Making sense of retirement	11
07/02/2023	Making sense of retirement	9
09/02/2023	Making sense of your pension	9

## 1.6 **Employer Communications**

There have been various LCPF employer communications sent in Q4, supporting the ongoing transition to UPM and the move of monthly data file returns from EPIC to the new portal.

- [Pension Pulse bulletin](#) – UPM special (w/c 9 January)

In addition to issuing LCPF employer communications for the monthly returns process, the Engagement team have also been arranging Teams training support sessions with both individual and multiple employers, as well as making post-deadline outbound calls to non-submitting employers.

- [Monthly returns reminder email](#) (w/c 2 January)
- [Monthly returns deadline passed email](#) (w/c 2 January)
- [Monthly returns deadline passed email 2](#) (w/c 9 January)
- [Monthly returns training email](#) (w/c 23 January)
- [Monthly returns due email](#) (w/c 30 January)
- [Monthly returns deadline passed email](#) (w/c 6 February)



## **2 Planned Activity Q1 2023/2024**

### **2.1 LCPF Employer Activities (April – June)**

- Monthly scheme essentials and retirement essentials are available for members and booking is available via LPPA website and shared with employers to circulate to employees. Employer training sessions will continue with a focus on monthly returns and navigating the UPM employer portal, sessions include:
  - UPM employer portal Training – to support with general navigation and submitting monthly return data file.
  - Monthly Return Training – regular training sessions available for employers to attend with a demonstration of the upload of Monthly Return file via UPM employer portal.
  - Scheme Leavers – regular training sessions available for employers to attend to assist with completing the leaver form on the UPM employer portal.
- Employer visits will be conducted with employers to support with the access and navigating the UPM employer portal.
- All employer visits (training sessions, support meetings) will continue to be delivered remotely in 23/24.

### **2.2 LCPF planned employer communications (April – June)**

- Employer communications for Q4 will continue to focus on the transition to the UPM employer portal, and the submission of monthly data return files. Email communications will be supplemented by outbound calls to support LCPF employers in the submission of their monthly files.
- Following communications issued to LG employers in Oct 21 and April 22 to LG employers (historical data submissions, specifically hours data and breaks in service, in readiness for the McCloud remedy), further activity is planned for LCPF employers.

### **2.3 LCPF Member Activities (April – June)**

Member communications for Q4 will focus on:

- PensionPoint registrations
- PensionPoint engagement (“Keep your details up-to-date;” “Nominate your beneficiary” etc)
- Pensions Increase 2023/24 (retired members and dependents)
- Pensioners online newsletter
- New joiner engagement (dedicated resources available on LPPA website)
- P60 communications – email notifications to retired members to inform them they can access their document in PensionPoint (postal documents issued on request, or to members who have opted out of digital communications)



**Lancashire Local Pension Board**  
Meeting to be held on Tuesday, 4 April 2023

Electoral Division affected:  
N/A;

## **LCPF Breaches Report**

Contact for further information:  
Catherine Hunt, Senior Governance Officer, 01772 533757,  
catherine.hunt2@lancashire.gov.uk

### **Brief Summary**

This report provides the Board with a summary of the Lancashire County Pension Fund Breaches Log for the period 1<sup>st</sup> December 2022 to 28<sup>th</sup> February 2023 and outlines the number of complaints that have been registered during the same period for the purposes of monitoring the quality of member experience.

### **Recommendation**

The Board is asked to note the content of this report.

### **Detail**

The Lancashire County Pension Fund has policy and procedures in place to effectively record and, if necessary, report breaches of the law to the Pension Regulator or Information Commissioner as appropriate.

In line with the breaches policy, a log of all breaches is maintained by the Fund. This includes data breaches and breaches which contravene the legal requirements set out in the Pension Regulator's Code of Practice 14 which covers areas such as:

- Governing your scheme
- Managing Risks.
- Resolving issue
- Administration issues including aspects such as:
  - Scheme record keeping.
  - Maintaining contributions.
  - Providing information to members.

To ensure that the most recent and complete data is reported to the Board, this report references a new quarterly reporting period and includes details of breaches and complaints for the period 1<sup>st</sup> December 2022 to 28<sup>th</sup> February 2023. This is because the data relating to month 3 of the prior quarter isn't usually available by the

reporting deadline. For example, December 2022 data was missing from the Q3 report provided to the meeting in January 2023. Future reports will now follow this reporting timeframe.

## Data Breaches

For the period 1<sup>st</sup> December 2022 to 28th February 2023 there were a total of 7 data breaches reported as follows:

A	1 member reported that their data may have been compromised by a cyber-attack at another organisation and was therefore concerned that emails being sent to him from LPPA may have been intercepted. This was not considered to be an LPPA breach and is included in this report for completeness only.
B	1 member's record contained forms relating to four other members due to incorrect allocation.
C	1 member's retirement forms were sent to an incorrect email address.
D	1 spouse's letter sent to wrong address due to the incorrect house number being provided by spouse on previous correspondence.
E	1 member's welcome letter was sent without a house number and was opened by another resident in the same street.
F	1 member's record was updated with an incorrect nominee.
G	1 member's correspondence was sent to an old address.

All data breaches are managed through the Information Governance Team of Lancashire County Council who are happy with the remedial action taken and have deemed that five of the breaches (A-E) aren't significant enough to warrant reporting to the Information Commissioner. The remaining breaches (F & G) continue to be investigated by the Information Governance team, but their first impressions are that none of the reported incidents will meet the threshold for reporting.

The Fund has also considered that five of the data breaches (A-E) are not material and will not be reported to the Pension Regulator. Based on initial information the other cases will not require reporting, however, further information is due from LPPA so that Fund Officers can fully understand the impact of the breach and remedial action that has been taken.

## The Pension Regulator Code of Practice Breaches

This type of breach can occur for a variety of tasks normally associated with the administrative function of the scheme including, but not limited to, contribution breaches, scheme record keeping and provision of information to members.

## Contribution Breaches

A breach occurs when an incorrect amount is collected on four or more occasions, or any payment is late. An incident occurs when an incorrect amount is collected, or no remittance is provided on up to three occasions.

Out of 916 collections, there were 78 incidents recorded in the period where employers failed to submit contribution figures, and which have resulted in corrective action being taken. Relevant employers have all been contacted in accordance with the Stage 2 escalation procedures, which ensure that all incidents are corrected swiftly. The number of employers which failed to submit contributions represents 8.52% of the total submissions, in monetary value this equates to 2.90% of the total contributions received during the period.

In the period December 2022 to February 2023 there were 10 breaches. These impacted 5 employers and are currently being managed by the Finance Team.

	<b>Q1</b> <b>Apr-Jun 22</b>	<b>Q2</b> <b>Jul-Sep 22</b>	<b>Q3*</b> <b>Oct-Nov 22</b>	<b>Dec 22- Feb 23**</b>
Incidents	49	44	68	78
Breach	0	2	0	10

\*Q3 incomplete- excludes December 2022 data

\*\*new reporting period to provide 3 full months data

## Administration Breaches

During the period December 2022 to February 2023 there were two breaches reported to the Fund which contravened Code of Practice guidelines.

- Prudential reported a breach of Reg 17 of the Occupational and Personal Pension Scheme (Disclosure of Information) Regulations 2013, whereby one member of the LCPF had not had access to their annual benefit statement online over a period of one year due to a system issue. Prudential reported this breach to the Pension Regulator. No further action has been taken by the Fund.
- LPPA advised that there was a delay in processing a member's transfer and on processing the case, incomplete data was recorded. Following this, the member was provided with an inaccurate estimate of their benefits. It has been decided not to report the breach to the Pension Regulator for the following reasons-
  - the delay was attributed to a one-off scenario resulting from the transition to a new system.
  - Corrective action was swiftly taken with regard to the transfer and provision of a corrected estimate.
  - LPPA are continuing to investigate what went wrong with a view to improving the process.

Use of the new eForms is still bedding in so while Fund Officers are receiving more detailed information about the nature of breaches, there is a focus on ensuring that

breaches are being reported to the Fund promptly. In addition, the impact of some of the breaches and the remedial action that has been taken is not fully understood in all cases so further information has been requested from LPPA. The requirement for full and prompt disclosure of breaches has been discussed with the Head of Risk & Compliance at LPPA, who will remind staff at LPPA to report breaches immediately.

### Summary of breaches:

	Q1 22/23	Q2 22/23	Q3 22/23*	Dec 22- Feb 23**
<b>Data</b>	6	12	3	7
<b>CoP-Administration</b>	2	2	0	2
<b>CoP- Contributions</b>	0	1	1	0

\*excludes December 2022 data

\*\* new reporting period to provide 3 full months data

### Complaints

Due to the challenges being experienced by LPPA regarding the receipt of employer data and ongoing development of the new administration system it has been decided to monitor complaints to ensure member experience is not being unduly compromised. Complaints reflect the quality of service experienced by members and have been categorised by LPPA into general service issues, delays, payment, or regulatory issues. The following table provides further data regarding complaints.

Month	Nature of complaint				Total Complaints
	Delays	General service	Payments	Regulatory	
<b>December 2022</b>	22	17	2	0	41
<b>January 2023</b>	24	9	2	0	35
<b>February 2023</b>	28	23	0	1	52

As at 31<sup>st</sup> January 2023 the volume of complaints per 1,000 members is 1.3 (rolling 12-month basis) and is slightly above the Customer Experience Management (CEM) benchmarking target of less than 1.

### Consultations

Local Pensions Partnership Administration Limited were consulted regarding the administration and data breaches. Lancashire County Council Finance Team were consulted with regards to contribution breaches.

### Implications:

This item has the following implications, as indicated:



## Risk management

The Lancashire Local Pension Board provide scrutiny and support to the Pension Fund Committee, in relation to their responsibility to ensure there is effective compliance with the Pension Regulators' Code of Practice 14 – Governance and administration of public service pension schemes.

### **Local Government (Access to Information) Act 1985 List of Background Papers**

Paper	Date	Contact/Tel
Code of Practice 14 – Governance and administration of public service pension schemes	April 2015	Catherine Hunt 01772 533757

Reason for inclusion in Part II, if appropriate  
N/A





**Lancashire Local Pension Board**

Meeting to be held on Tuesday, 4 April 2023

Electoral Division affected:  
None;

**Part I reports presented to the most recent Pension Fund Committee**  
(Appendices A and B refer)

Contact for further information:

Mike Neville, Tel: (01772) 533431, Senior Democratic Services Officer  
mike.neville@lancashire.gov.uk

**Brief Summary**

The Head of Fund will update Board members at the meeting on decisions taken in respect of the Part I reports which were considered by the Pension Fund Committee on 10<sup>th</sup> March 2023.

**Recommendation**

The Board is asked to comment in relation to the Part I reports that were considered by the Pension Fund Committee on 10<sup>th</sup> March 2023 and any decisions taken.

**Detail**

At the Pension Fund Committee on 10<sup>th</sup> March 2023 several reports were considered under Part I of the agenda (available to the press and public) which included those listed below.

- Minutes of the Meeting held on 25th November 2022
- Budget Monitoring Q3 - 2022/23
- **Lancashire County Pension Fund 2023/24 Budget**
- **Lancashire County Pension Fund Strategic Plan 2023-24**
- **Breaches Policy Review**
- Feedback from members of the Committee on pension related training.
- **Training Plan 2023/24 (see Appendix A)**
- **Lancashire Local Pension Board Workplan 2023/24 (see Appendix B)**
- Responsible Investment Report
- Urgent Business
- Date of Next Meeting - 16th June 2023

Members of the Board received notification when the agenda for the Committee was published and available to view on the [County Councils website](https://www.lancashire.gov.uk) and a full copy of

the agenda was also made available for Board members to view via the secure online Pensions Library.

At the meeting the Head of Fund will update the Board specifically on decisions taken by the Committee regarding the items in bold above, though Board members are free to ask for updates in relation to all the listed reports.

### **Consultations**

N/A

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

There are no significant risk management implications associated with this report

### **Local Government (Access to Information) Act 1985**

#### **List of Background Papers**

Paper	Date	Contact/Tel
N/A		

Reason for inclusion in Part II, if appropriate

N/A



**LCPF Training Plan for 2023/24**  
(approved by Pension Fund Committee on 10<sup>th</sup> March 2023)

**Internal Training Workshop Schedule**

<b>Date</b>	<b>Time</b>	<b>Subject</b>	<b>Provider</b>
24 March 2023	1pm	Legal Update including Breaches Reporting	Eversheds
22 May 2023	1pm	'Investment Strategy Statement and Risk Appetite Statement', plus Investment Vocabulary	Independent Investment Advisors
5 June 2023	10-11.30am	LPPA Pensions Administration Update	LPPA
3 July 2023	1-2.30pm	Cyber Security Workshop (LCC/LCPF/LPPA/LPPI)	Tbc
4 Sept 2023	1-2.30pm	'LCPF Accounts & Annual Report' plus 'Audit Assurance Framework'	Tbc
2 Oct 2023	10-11.30am	Responsible Investment and TCFD reporting	LPPI
8 Nov 2023	1-2.30pm	LPP Technical Update (including impact of new regulatory changes and progress on Pensions Dashboard Project and McCloud)	LPPA
11 Dec 2023	1-2.30pm	General Code of Practice and Good Governance	Tbc
16 Jan 2024	10-11.30am	Comms Strategy & LPP Comms Update	LCPF/LPPA
26 Feb 2024	10-11.30am	LPP Budget	LPP
27 Mar 2024	1-2.30pm	Financial Services and Products	Tbc

Dates and times may change, and subject areas may deviate depending on training needs at that time.

Other training opportunities include Q&A sessions for new Local Pension Board members, Pension Fund Committee briefings, external conferences, webinars and access to on-line training tools. Please read on for more information.

### Local Pension Board Q&A sessions:

*New LPB Members only*

Date	Time	Venue	Subject
4 <sup>th</sup> April 2023	11am	Committee Room B (followed by lunch 1-2pm)	Induction Briefing, Meet and Greet and Q&A
10 <sup>th</sup> July 2023	2-3pm	On-line event	Q&A session- new Board members only
October 2023	tbc		Q&A session (dependent on feedback)
January 2024	tbc		Q&A session (dependent on feedback)

### Pre-Committee Briefings

*Pension Committee only*

Date	Time	Subject
16 <sup>th</sup> June 2023	10-10.30am	LPPA Service Level Agreement measures
15 <sup>th</sup> September 2023	10-10.30am	Procurement
1 <sup>st</sup> December 2023	10-10.30am	Pension Board Update – new Chair
8 <sup>th</sup> March 2024	10-10.30am	tbc

### External Training Opportunities

#### Conferences 2023-24:

Conference	Dates
PLSA Annual Conference	17-19 October 2023 (Manchester)
PLSA Local Authority Conference	26-28 June 2023 (Gloucestershire)
LAPF Strategic Investment Forum	4-6 July 2023 (Hertfordshire)
LGA Annual Conference & Exhibition	4-6 July 2023 (Bournemouth)
LGC Investment Summit	30-31 March 2023(Cheshire)
LAPFF Annual Conference	Dec 2023 <b>TBC</b> (Bournemouth)
CIPFA Local Pensions Board Conference	18 May 2023 (Birmingham)

### On-line webinars 2023-24:

The following external events are recommended by the pensions team. Further information on dates of the events below will be provided as they become available, as well as any other suitable events.

Training	Dates
<b>PLSA Webinar</b> Get Ready for Pensions Dashboard <a href="https://www.plsa.co.uk/Events-Webinars">https://www.plsa.co.uk/Events-Webinars</a>	20 <sup>th</sup> April 2023
<b>CIPFA in partnership with Isio:</b> training and support programme for Local Pension Board members in the Local Government Pension Scheme (LGPS).	Range of learning resources and events for pension board members over 12 months period Tbc
<b>Local Government Association:</b> LGPS Fundamentals Training for newly Elected Members. Provides members of pension committees and local pension boards with the knowledge and skills to enable them to carry out their duties effectively.	Tbc (usually Oct- Dec)
<b>Hymans:</b> Webinars and conferences covering topical issues facing and shaping the industry	The 2023 programme is currently being planned. Check here for their events <a href="#">Events - Hymans Robertson</a>

### On-line Training Tools:

#### **The Pensions Regulator's Public Service Toolkit:**

The Pensions Regulator offers online training consisting of seven separate modules which support the Code of Practice No 14 guidance. The toolkit can be accessed using the following link: <https://education.thepensionsregulator.gov.uk/login/>



## Lancashire Local Pensions Board - Work programme 2023/24

24-Jan-23	04-Apr-23	11-Jul-23	17-Oct-23	23-Jan-24
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Standing Items					
Welcome and Apologies, Declaration of Interests, Urgent business, Exclusion of press/public, Date of the next meeting of the LLPB.	Y	Y	Y	Y	Y
Minutes of the previous meeting of the LLPB	Y	Y	Y	Y	Y
Feedback from Board members on conferences/events and other training received	Y	Y	Y	Y	Y
Part I/II Reports considered by the recent Pension Fund Committee	Y	Y	Y	Y	Y
Regulatory changes update report	Y	Y	Y	Y	Y

Governance					
Quarterly risk register report	Y	Y	Y	Y	Y
Report update on progress of the current LLPB work plan				Y	
LLPB Members Training Record		Y			
Annual compliance report with the Pension Regulator's General Code of Practice			Y		Y
Update of Constitution, Membership and Terms of Reference of the LLPB			Y		Y
Annual Review of the effectiveness of the LLPB - conclusions of the Chair and draft LLPB Annual Report for the previous year.		Y			
Note Approval of the annual LLPB work plan for the following year by PFC		Y			
Communications update report	Y	Y	Y	Y	Y
Annual report on the results of the pension regulator's survey				Y	
Cyber Security Update	Y		Y		Y
SAB Good Governance Project					Y
Updated Risk Management Framework					

Administration Performance					
Summary report of appeals under the internal dispute resolution procedures	Y				Y
Report on LPPA administration performance, data quality and data scores	Y	Y	Y	Y	Y

Pensions Administration					
Contributions monitoring, complaints and breaches	Y	Y	Y	Y	Y

Lancashire Pension Fund Policies					
Actuarial Valuation					
Policy - Funding Strategy Statement	Y				
Policy - Pension Administration Strategy Statement				Y	
Policy - Admissions & Termination Statement	Y				
Policy - Communications Strategy					Y
Policy - Employer Discretions					Y
Policy - Governance Compliance Statement			Y		
Policy - LCPF Cyber Strategy					
Policy - LCPF Discretions					Y
Policy - Risk Management Framework					
Policy - Responsible Investments					
Policy - Training Strategy					Y
Policy - Breaches	Y				

## Lancashire Local Pension Board – 2023/24 Annual Work Plan

The pension work plan sets out the order of matters the Pension Board will review in the financial year. The work plan has been arranged into two sections an annual work plan reflecting reports presented on a quarterly basis as well as a three year work plan to reflect the frequency of policies which are refreshed every three years. The order of presentation of the agenda is as reflected below.

Lancashire Pension Fund Policies	2023/24	2024/25	2025/26	2026/2027	2027/2028
Actuarial Valuation			Y		
Policy - Funding Strategy Statement			Y		
Policy - Pension Administration Strategy	Y				
Policy - Admissions & Termination Policy		Y			
Policy - Communications Strategy	Y		Y		
Policy - Employer Discretions	Y				
Policy - Governance Compliance Statement	Y	Y	Y	Y	Y
Policy - LCPF Cyber Security Strategy		Y			
Policy - LCPF Discretions	Y				
Policy - Risk Management Framework			Y		
Policy - Responsible Investment		Y			
Policy - Training Strategy	Y				
Policy - Breaches Policy			Y		





# Agenda Item 14

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

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# Agenda Item 15

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

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# Appendix A

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

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# Agenda Item 16

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