

Lancashire County Council

Lancashire Local Pension Board

**Minutes of the Meeting held on Tuesday, 11th July, 2023 at 2.00 pm in
Committee Room 'B' - The Diamond Jubilee Room, County Hall, Preston**

Present:

Chair

W Bourne

Board Members

County Councillor J Couperthwaite, Employer representative - Lancashire County Council
Mr S Lawrence, Employer representative - Lancashire County Council.
Mr S Dunstan, Employer representative - Other Employers.
Ms D Parker, Scheme Member representative.
Mr K Ellard, Scheme Member representative.
Ms G Hart, Scheme Member representative.
Mr A Egerton, Scheme Member representative.

In attendance.

Sean Greene, Head of Pension Fund, Lancashire County Council.
Junaid Laly, Special Projects Pensions Lead, Lancashire County Council.
Jennifer Harrison, Senior Technical Pensions Officer, Lancashire County Council.
Catherine Hunt, Senior Governance Officer, Lancashire County Council
Mike Neville, Senior Democratic Services Officer, Lancashire County Council.
County Councillor E Pope, Chair of the Pension Fund Committee (as an observer)
Jo Darbyshire, Managing Director, Local Pensions Partnership Administration and
Abbi Leech, Director of Finance, People and Culture, Local Pensions Partnership
Administration (for item 14 only).

As this was the first meeting for some Board members the Chair asked everyone present to introduce themselves.

1. Constitution, Membership and Terms of Reference

Mr Neville presented a report on the constitution, membership, and revised Terms of Reference of the Board and confirmed that on 26th June 2023 the Executive Director of Resources on behalf of the Urgency Committee of Full Council had approved the recommendations of the Pension Fund Committee to appoint:

- Anthony Egerton as a Scheme Member representative with effect from 1st July 2023, for an initial 2 years with an option to extend for a further 4 years, subject to approval by Full Council.
- Fiona Miller as the new independent Chair of the Board with effect from 1st November 2023 for an initial 2 years with an option for the appointment to be extended for an additional 2 years, subject to approval by Full Council.

The Head of Fund reported that the new Chair's employment with another local government pension fund pool did not create a conflict of interest with her role on the Board and mitigations would be put in place to ensure that any perceived conflict was adequately managed. He also confirmed that work was progressing on identifying a suitable candidate to fill the vacancy for an Employer representative for Unitary, City, Borough Councils, and Police/Fire.

The Board noted that County Councillor J Couperthwaite and Mr S Lawrence, the Director of Growth and Regeneration, had joined the Board as the new Employer representatives for Lancashire County Council.

Resolved:

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

Mr W Bourne - Independent Chair
 County Councillor J Couperthwaite - Employer representative (Lancashire County Council)
 Mr S Lawrence - Employer representative (Lancashire County Council)
 Vacancy - Employer representative (Unitary, City, Borough Councils and Police/Fire)
 Mr S Dunstan - Employer representative (Other Employers)
 Ms D Parker - Scheme member representative.
 Mr K Ellard - Scheme member representative.
 Ms G Hart - Scheme member representative.
 Mr A Egerton - Scheme member representative.

2. That the revised Terms of Reference of the Board, as referred to in the report presented, are noted and that a copy be placed in the Minute Book.

2. Apologies

No apologies for absence were presented at this point in the meeting.

3. Disclosure of Pecuniary and Non-Pecuniary Interests

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



Mr Neville thanked Board members for their responses to the recent consultation on declarations of interests and confirmed that the Register of Interests for the Pension Board would be updated in due course.

4. Minutes of the Last Meeting.

Mr Neville confirmed that since the last meeting Ms Maka had resigned from her position as Scheme Member representative on the Board and the resulting vacancy had subsequently been filled by Mr Egerton.

Resolved: That the Minutes of the meeting held on 4th April 2023 are confirmed as an accurate record and signed by the Chair.

5. LCPF Breaches Report

Ms Hunt, Senior Governance Officer from the Pension Fund Team, presented a report on the data breaches, contribution incidents/breaches and administration breaches which had occurred during the period 1st March 2023 to 31st May 2023. She reported that remedial action had been taken where appropriate and none of the breaches had been deemed significant enough to warrant reporting to the Information Commissioner or the Pensions Regulator.

Details of the number of complaints received between March to May 2023 in relation to the pension administration service were also presented.

Resolved: That the summary of the Lancashire County Pension Fund Breaches Log for the period 1st March 2023 to 31st May 2023, as set out in the report presented, is noted.

6. Regulatory Update

Ms Harrison, Senior Technical Pensions Officer from the Pension Fund Team, updated the Board on the various pension regulatory issues set out in the report including the McCloud judgement, Pensions Dashboard, and climate change risk reporting associated with the Taskforce on Climate-related Financial Disclosures which was expected to commence from 1st April 2024.

The Board also discussed the Mansion House speech made by the Chancellor on the previous day and noted that the Fund was well advanced in terms of the pooling of investments.

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

7. General Code of Practice Update

Junaid Laly, Special Projects Pensions Lead from the Pension Fund Team, presented a progress report on work being done to identify any gaps in mandatory and high priority areas relating to the implementation of the General Code once it is finalised. It was reported that an initial compliance statement (highlighting areas of



focus) would be presented to the Board in October 2023 for consideration and the Pension Regulator would give a presentation to Board members on the General Code at 1pm on 11th December 2023 in Exchange Room 8 at County Hall, Preston.

Resolved: That update report is noted.

8. Communications Update

The Board considered a report on communications activity by both the Local Pensions Partnership Administration Limited's (LPPA) Engagement & Communications Team and the Pension Fund Team during Q1 (April to June 2023).

Resolved: That the report is noted.

9. Feedback from Board members on pension related training.

The Chair presented a report on training activity which Board members had participated in since the last meeting and individual members of the Board gave feedback on their experiences.

It was reported that County Councillor J Couperthwaite and Mr S Dunstan had participated in the cyber security workshop held on 3rd July 2023 and Ms Parker had subsequently watched the recording in the online pension library for Board members. It was also requested that clarity on roles and responsibilities of different parties be provided as part of the forthcoming paper on cyber security to the Board.

Resolved:

1. That the report and feedback given at the meeting in relation to the participation of Board members in training since the last meeting is noted.
2. That the Training Record for 2023/24 be updated to reflect the attendance by County Councillor Couperthwaite and Mr Dunstan at the Cyber Security workshop on 3rd July 2023 and that Ms D Parker had subsequently watched the recording in the online library, as reported at the meeting.

10. Part I reports considered by the Pension Fund Committee

The Board considered a report on the items considered by the Pension Fund Committee on 16th June 2023 and noted that Frances Deakin, the Head Responsible Investment at Local Pensions Partnership Investments Ltd, was due to give a presentation on Responsible Investment and TCFD reporting to Committee/Board members at 1.00pm on 3rd October 2023.

Resolved: That the Part I reports considered by the Pension Fund Committee on 16th June 2023 are noted.



11. Urgent Business

No items of urgent business were raised at the meeting.

12. Date of Next Meeting

It was noted that the next scheduled meeting would be held at 2.00pm on 17th October 2023 in Committee Room 'B' - The Diamond Jubilee Room at County Hall, Preston.

13. Exclusion of Press and Public

Resolved: That the press and public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph(s) 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 short break while the livestream of the meeting was turned off.

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

14. Local Pensions Partnership Administration

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information).

The Board considered a report on the pension administration service and discussed various matters with the representatives from the Local Pensions Partnership Administration Ltd (LPPA) including:

- A comparison between performance figures and information received regarding the scheme member/employer experience.
- The various factors which could contribute to complaints and how to resolve them and use of the escalation process.
- Staff retention and future training/development.
- Key Performance Indicators and potential improvements to future systems, processes, and performance monitoring measures.
- Employer engagement.

On behalf of the Board the Chair thanked the Director of Finance, People and Culture, and the Managing Director from LPPA for their contributions to the discussion before they left the meeting.



Resolved:

1. That a report be presented to a future Board meeting on the Local Pensions Partnership Administration Ltd (LPPA) Efficiency and Service Improvement Program together with details of any staff training/development programme.
2. That at an appropriate point the Head of Engagement from LPPA be invited to attend a future Board meeting.
3. That, at the next meeting, the Board further discuss LPPA performance figures compared to information to be received regarding the actual scheme member/employer experience (between now and the next meeting).
4. That the Chair of the Board write to the Executive Director of Resources (as Section 151 Officer) regarding issues associated with the Oracle Fusion system.

15. 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 Board considered a report on several key risks associated with the Fund, including the impact of geopolitical instability on investment markets, recruitment and retention of staff, and data quality.

Resolved:

1. That the updates on risks associated with the Fund, as set out in the report presented and given at the meeting, is noted.
2. That brief financial information on exposure to China and Russia would be presented to the next meeting.
3. That an update on the management actions resulting from the PwC Audit report on Local Pensions Partnership Administration Ltd would be provided at an appropriate point once the new UPM system has 'bedded in'.

16. Part II reports considered by the Pension Fund Committee

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information).



The Board received a report on the eight items considered by the Pension Fund Committee under Part II of the agenda on 16th June 2023.

Resolved: That the reports considered by the Pension Fund Committee on 16th June 2023 under Part II of the agenda and decisions taken are noted.

H MacAndrew
Director of Law and Governance

County Hall
Preston

