

Lancashire County Council

Lancashire Local Pension Board

**Tuesday, 11th July, 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. Constitution, Membership and Terms of Reference** (Pages 1 - 14)
- 2. Apologies**
- 3. Disclosure of Pecuniary and Non-Pecuniary Interests**
- 4. Minutes of the Last Meeting.** (Pages 15 - 22)
To be confirmed and signed by the Chair.
- 5. LCPF Breaches Report** (Pages 23 - 28)
- 6. Regulatory Update** (Pages 29 - 34)
- 7. General Code of Practice Update** (Pages 35 - 36)
- 8. Communications Update** (Pages 37 - 46)
- 9. Feedback from Board members on pension related training.** (Pages 47 - 50)
- 10. Part I reports considered by the Pension Fund Committee** (Pages 51 - 52)
- 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 17th October 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)

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|---------------------------------------------------------------------|-----------------|
| 14. Local Pensions Partnership Administration | (Pages 53 - 54) |
| 15. Risk Register Update | (Pages 55 - 74) |
| 16. Part II reports considered by the Pension Fund Committee | (Pages 75 - 76) |

H MacAndrew
Director of Law and Governance

County Hall
Preston



Lancashire Local Pension Board

Meeting to be held on Tuesday 11th July 2023

Electoral Division affected:
None;

Constitution, membership, and Terms of Reference of the Pension Board

(Appendix 'A' refers)

Contact for further information:

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

Brief Summary

A report on the constitution, membership, and Terms of Reference of the Lancashire Local Pension Board.

Recommendation

The Committee is asked to review the constitution, membership, and Terms of Reference of the Lancashire Local Pension Board, as set out in the report.

Detail

The Terms of Reference for the Lancashire Local Pension Board state that the constitution of the Board is 9 members, based on an independent Chair, 4 Employer representatives and 4 Scheme Member representatives.

The current membership of the Board is as follows.

- Mr W Bourne, Independent Chair
- County Councillor J Couperthwaite, Employer representative Lancashire County Council (replaces County Councillor M Salter)
- Mr S Lawrence, Employer representative Lancashire County Council (appointed at Full Council on 25th May 2023)
- Vacancy - Employer representative (Unitary, City, Borough Councils and Police/Fire)
- Mr S Dunstan, Employer representative Other Employers.
- Ms D Parker, Scheme Member representative (term of appointment extended for a further 4 years up to 2nd July 2027 by Full Council on 25th May 2023).
- Mr K Ellard, Scheme Member representative.
- Ms G Hart, Scheme Member representative.

- Vacancy - Scheme Member representative (following the resignation of Ms S Maka w.e.f. 17th May 2023

Update - Appointment of new independent Chair and new Scheme member representative.

On 16th June 2023 the Pension Fund Committee considered a report on the outcome of a recruitment process for a new independent Chair of the Pension Board and was informed that following interviews a candidate with suitable knowledge/experience had been identified. The Committee discussed the proposed appointment and the Head of Fund confirmed that mitigations would be in place to ensure that any perceived conflict of interest was adequately managed.

The Committee was also informed of the proposed appointment of a new Scheme Member representative on the Pension Board to fill a vacancy following the resignation of an Board member.

After considering all the circumstances the Committee **Resolved:** That full Council be recommended to approve:

1. The appointment of Antony Egerton as a Scheme Member representative on the Lancashire Local Pension Board 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.
2. The appointment of Fiona Miller as the new independent Chair of the Lancashire Local Pension 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.
3. The draft contract of appointment for the new independent Chair, as set out at Appendix 'A' to the report presented.
4. The amended Terms of Reference for the Lancashire Local Pension Board, as set out at Appendix 'B' to the report presented.

At the time of writing this report arrangements are being made for the recommendations to be reported to Full Council for consideration and the Board will be kept informed of the outcome.

Terms of Reference

A copy of the Terms of Reference for the Lancashire Local Pension Board (as approved by the Pension Fund Committee) is set out at Appendix 'A' which includes the following amendments.

Section 3a – delete the reference to Board member appointments being 4 years with an option to extend by 4 years and replace with statement that appointments can be made for up to a maximum of 8 years. This will allow appointments to be made on a phased basis, such as 2 and 4 years or 4 and 4 years, as appropriate up to a maximum of 8 years.

Section 9 – changing the references to the Director of Corporate Services (who has retired) to Monitoring Officer, a role undertaken by the new Director of Law and Governance.

Section 12e clarification regarding the fixed annual allowance for the independent Chair of the Board.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

No significant risks have been identified.

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

Terms of Reference

1. Role and remit of the Board

- a) To assist Lancashire County Council as the Administering Authority in its role as Scheme Manager (as delegated to the Pension Fund Committee):
 - i. to secure compliance with the Local Government Pension Scheme (LGPS) regulations and any other legislation relating to the governance and administration of the LGPS.
 - ii. to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator; and
 - iii. in such other matters as the LGPS regulations may specify.
- b) To ensure the effective and efficient governance and administration of the LGPS for the Lancashire County Pension Fund (the Fund).
- c) To provide the Pension Fund Committee with such information as it requires to ensure that any member of the Board or person to be appointed to the Board does not have a conflict of interest.
- d) To review and scrutinise governance processes and procedures to ensure that the Fund is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.
- e) To meet sufficiently regularly to discharge its duties and responsibilities effectively, but not less than four times in any year.
- f) To review the key policy documents for the Fund to ensure they are fit for purpose.
- g) The Board must assist the Pension Fund Committee with such other matters as the scheme regulations may specify. This role involves but is not limited to assisting with the oversight of and commenting on:
 - i. the development of improved customer services.
 - ii. the monitoring of administration and governance against key performance targets and indicators.
 - iii. the effectiveness of processes for the appointment of advisors and suppliers to the County Council.
 - iv. a review of the Lancashire County Pension Fund Risk Register as it relates to the Scheme Manager function of the Authority.
 - v. the development of improved management, administration and governance structures and policies.
 - vi. a review of the outcome of actuarial reporting and valuations.
 - vii. any other area within the core function (i.e. ensuring effective and efficient governance of the Scheme) that the Board deems appropriate.

- h) To review the outcome of internal and external audit reports in relation to the Fund.
- i) To make such recommendations to the Pension Fund Committee and/or Full Council as it considers appropriate in relation to any matter that the Board considers may improve the performance of the Fund.
- j) To submit to the Pension Fund Committee in March each year a proposed annual work plan for the forthcoming financial year.
- k) To carry out any activities relating to the efficient governance and administration of the Fund which the Pension Fund Committee or full Council may request the Board to undertake.

2. Membership and Appointment Process

The Board shall consist of nine members and be constituted as follows:

One independent member selected by the Pension Fund Committee who shall not be a member of the Lancashire County Pension Fund and who shall be appointed as Chair of the Board.

Four employer representatives, of whom:

- Two shall be nominated by Lancashire County Council. Where these are councillors or officers, they shall meet the requirements of the relevant regulations in relation to avoidance of conflict with the County Council's role as Administering Authority.
- One shall be nominated by the Unitary, City, and Borough Councils and the Police and Fire bodies which are employers within the Lancashire County Pension Fund; and
- One shall be nominated following consultation with the other employers within the Fund.

Four scheme member representatives drawn from the membership of the Fund.

Members in the above categories will only be appointed to the Board by the full Council if they meet the knowledge and understanding requirements set out in the relevant regulations and guidance, and as set out in Section 5 below.

Process

- a) Two employer representatives shall be nominated by Lancashire County Council. The nomination of a county councillor or an officer shall comply with the requirements of the relevant regulations in relation to avoidance of conflict with the County Council's role as Administering Authority.
- b) One employer representative to be drawn from the Unitary, City, and Borough

Councils and the Police and Fire bodies which are employers within the Fund.

- c) One employer representative to be drawn from all other employers within the Fund.
- d) Four scheme member representatives to be drawn from the membership of the Fund.

Employers within the Fund shall be notified of any vacancies arising under categories b) and c) above. Any nominations shall be submitted to the Head of the Pension Fund.

A vacancy arising under category d) shall be brought to the attention of employer and member representative bodies to enable the vacancy to be advertised as widely as possible. This will include details of the vacancy being published on websites as appropriate. Scheme members shall submit expressions of interest to the Head of the Pension Fund.

All nominations and expressions of interest submitted under categories b), c) and d) would go through an initial sifting process by the Head of the Pension Fund in consultation with the Chair of the Lancashire Local Pension Board. Nominations and expressions of interest would be considered against the role profile and having regard to equal opportunities legislation. In the event that more than one suitable candidate is identified, there will be a formal interview process involving the Chair and two other members of the Board. The interview process would test the ability of the individual to meet the requirements of the role and any recommended appointment would be made on merit.

Once a suitable representative has been identified they would need to be formally appointed to the Board by the full Council.

- e) One independent member selected and appointed by the county council as the Administering Authority.

This person shall not be a member of the Fund. Such appointment will only be made following an openly advertised competition for the role. Interviews will be arranged and conducted as necessary by the Head of the Pension Fund who shall make a recommendation to the Pension Fund Committee for consideration who will then refer the matter to the Full Council for a decision as appropriate.

3. Term of office and removal of members of the Board.

- a) The independent Chair of the Pension Board shall be appointed by the full Council for an initial 2 years with an option for the appointment to be extended for an additional 2 years.
- b) Other members of the Board will serve for a maximum period of up to 8 years subject to the approval of the Full Council. Other than as a result of retirement at the expiry of this period the term of office of a member of the Board will

come to an end:

- i) For an employer representative who is a councillor if they
 - cease to hold office as a councillor.
 - are appointed to serve on the Pension Fund Committee,
 - are replaced in accordance with the change of membership procedure adopted by the County Council, or
 - are removed by a resolution of the Full Council.
 - ii) For employer representatives who are not councillors when they cease to be employed by the employing body where they were employed on appointment;
 - iii) For a scheme member or employer representative if they are appointed to a role with responsibility for the management or administration of the Fund.
 - iv) For scheme member representatives if they cease to be a member of the Fund.
 - v) Where there is a conflict of interest which cannot be managed in accordance with the Conflict of Interests Policy.
 - vi) Where an individual fails to attend meetings, undertake training or otherwise comply with the requirements of being a member of the Pension Board.
- c) Each Board member should endeavor to and is expected to attend all Board meetings during the year. Given the nature of the Board as a supervisory body and the need for appropriate knowledge and skills and the clear avoidance of conflicts of interest substitute members are not permitted.
- d) Other than by ceasing to be eligible as set out above, a Board member (including the independent member) may only be removed from office during a term of appointment by the consent of the Full Council.

4. Code of Conduct and Conflict of Interests Policy for Board Members, Officers and Advisors

The role of the Pension Board requires the highest standards of conduct and therefore the “seven principles of public life” will be applied to all Board members and embodied in their Code of Conduct as approved by the Board and published on the Local Pension Fund Website.

5. Knowledge and Understanding

- a) Board members must be conversant with:
 - i) The legislation and associated guidance of the LGPS.
 - ii) Any document recording policy about the administration of the

LGPS which is for the time being adopted by the Fund.

- b) Board members must have knowledge and understanding of:
 - i) The law relating to pensions, and
 - ii) Any other matters which are prescribed in regulations.
- c) It is for individual Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board. In line with this requirement Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. A record of the training which Board members have undertaken will be presented to the Board on an annual basis.
- d) Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.
- e) Board members will comply with the Training Policy approved by the Pension Fund Committee.

6. Role of the Chair

- a) To ensure that the Board delivers its purpose as set out in these Terms of Reference.
- b) To ensure that Board meetings are productive and effective and that all members of the Board have an opportunity to contribute to discussions.
- c) To seek to ensure that the Board reach consensus when making decisions and to put decisions to a vote when it cannot be reached (see section 8).
- d) 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.

7. Quorum

- a) For the Board to be quorate the Chair and at least two employer representatives and two scheme member representatives must be present.
- b) In the event that the Board is inquorate the meeting may continue but any decisions will be non-binding until they can be ratified by the Board.

8. Decision making

- a) Employer/scheme member representatives on the Board will have an individual voting right but it is expected the Board will, as far as possible,

reach a consensus.

- b) Under Regulation 106(7) of the LGPS Regulations 2013 the Chair is explicitly excluded from having the right to vote.
- c) Written resolution procedure - Should the Board need to take a decision between scheduled meetings then all Employer/Scheme Member representatives on the Board shall be consulted by email on the proposal and asked to indicate whether they support the recommendation or not. The Chair will receive a copy of the written resolution for their information. The decision of the Board will then be based on a simple majority of the responses received and will be reported to the subsequent Board meeting.

9. **Board Meetings – Notice, Minutes and Reporting**

- a) The Monitoring Officer shall give notice to all Board members of every meeting of the Board and shall ensure that papers are published on the Lancashire County Pension Fund Website at least 5 working days prior to each meeting.
- b) The Monitoring Officer shall ensure that a formal record of Board proceedings is maintained. Subsequent to each meeting the Chair will be asked to approve the minutes for publication and circulation to all members of the Board.
- c) The Board in considering items of business at its ordinary meetings shall in relation to each item consider whether it wishes to make a recommendation to the Pension Fund Committee with the response of the Committee being reported to the subsequent Board meeting.
- d) The Pension Board shall produce an **Annual Report** on the nature and effect of its activities for consideration by the Pension Fund Committee. The contents of this Annual Report will be subject to consideration and agreement at a meeting of the Board, but should include, inter alia:
 - i) Details of the attendance of members at Board meetings;
 - ii) Details of the training and development activities provided for members of the Board and attendance at such activities;
 - iii) Details of any specific recommendations made by the Board to the Pension Fund Committee and the response of the Committee to those recommendations.
 - iv) Details of the costs incurred in the operation of the Board.
 - v) A statement by the Chair on the findings of the Annual Review of the effectiveness of the Board.

If approved by the Committee the Annual Report of the Board will be incorporated into the Annual Report of the Fund and submitted to the full Council for approval.

- e) If considered appropriate the Board may establish Sub-Groups to look in detail at specific issues and report back to the Board.

10. Publication of Pension Board information.

- a) Scheme members and other interested parties will want to know that the Fund is being efficiently and effectively managed. They will also want to be confident that the Board is properly constituted, trained and competent in order to comply with scheme regulations, the governance and administration of the scheme and requirements of the Pension Regulator.
- b) The Board will ensure that up to date information is posted on the Lancashire County Pension Fund website showing
 - The names, contact details and other relevant information about Board members.
 - The responsibilities of the Pension Board as a whole.
 - The full Terms of Reference of the Pension Board.
 - Any specific roles and responsibilities of individual Board members.
- c) The Pension Fund Committee will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

11. Budget.

- a) The Board is to be provided with adequate resources to fulfil its role. In doing so the budget for the Board shall be met from the Lancashire County Pension Fund.
- b) The Pension Fund Committee shall approve an annual budget for the Board which will be managed by and at the discretion of the Head of Fund.

12. Reimbursement of Travel and Subsistence Expenses and Remuneration.

- a) All Board members shall, on the production of relevant receipts be reimbursed for travel and subsistence expenses they have actually and necessarily incurred in the conduct of their duties as a member of the Board, including attendance at relevant training and development activities.
- b) Board members shall be reimbursed a mileage allowance for use of their own car at the rate proscribed by HM Revenues and Customs from time to time as adopted by Lancashire County Council.
- c) Where members of the Board are in employment their employer will be able to reclaim from the Lancashire County Pension Fund a sum equivalent to salary, employers' national insurance contributions and employers' pension contributions, in respect of time spent by the individual in fulfilling their duties as a member of the Board, including attendance at relevant training and development activities. Where any applicable sums and contributions are claimed by an employer, costs must have been incurred by the employer and

evidence must be provided with any claim.

- d) Board Members may be able to reclaim from the Lancashire County Pension Fund a sum in financial loss commensurate to time spent by the individual in fulfilling their duties as a member of the Board, including attendance at relevant training and development activities, except where such sums are recoverable under any other paragraph of these terms of reference. Where any applicable sums are claimed by an individual evidence must be provided with the claim. The Head of Fund will have absolute discretion to determine the final sum reimbursed based on what is deemed sufficiently evidenced, reasonable and proportionate, to be assessed on a case by case basis.
- e) In accordance with the decision taken by the Executive Director of Resources on behalf of the Urgency Committee of Full Council on 26 June 2023, the Chair of the Board shall receive a fixed annual allowance of £10,000 (in addition to travel and subsistence expenses) to be inflated in April each year by the Consumer Price Index for the previous September.

13. Advisers to the Board

- a) The Board may be supported in its role and responsibilities through the appointment of advisers, in addition to the County Council's officers and the Fund's various advisers and shall, subject to any applicable regulation and legislation from time to time in force, consult with such advisers to the Board and on such terms as it shall see fit to help better perform its duties.
- b) The Board shall ensure that the performance of any advisers so appointed is reviewed on a regular basis.

14. Reporting Breaches

Any breach brought to the attention of the Board, whether potential or actual, shall be dealt with in accordance with the procedure set out in a separate [policy](#).

Note

Administering Authority	Is the Full Council of Lancashire County Council as set out in Part I of Schedule 3 of the Local Government Scheme Regulations 2013
Scheme Manager	Is the Pension Fund Committee (Full Council having delegated powers to the Committee as set out in the County Councils Constitution).

Pension Board or Board	Is the local Pension Board for the Lancashire County Council as Administering Authority for the Lancashire County Pension Fund as required under the Public Service Pensions Act 2013
Chair	The individual responsible for chairing meetings of the Lancashire Local Pension Board and guiding its debates.
LGPS or Scheme	Means the Local Government Pension Scheme as constituted by the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 and The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009
Fund	Means the Lancashire County Pension Fund

Lancashire County Council

Lancashire Local Pension Board

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

Present:

Chair

Mr W Bourne

Board Members

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

In attendance.

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

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

1. Welcome and Apologies

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

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

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

2. Disclosure of Pecuniary and Non-Pecuniary Interests

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

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

3. Minutes of the Last Meeting.

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

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

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

4. Annual Review of the Lancashire Local Pension Board.

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

Resolved:

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



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

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

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



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

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

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

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

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

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

Resolved:

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

7. Regulatory Update

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

She also gave additional updates on the following:



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

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

Resolved:

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

8. Communications Update

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

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

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

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

Resolved: That the report is noted.



9. LCPF Breaches Report

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

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

Resolved:

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

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

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

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

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

11. Urgent Business

No items of business were raised under this item.

12. Date of Next Meeting

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

13. Exclusion of Press and Public



Resolved: That the press and public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraphs of Part I of Schedule 12A to the Local Government Act 1972, as indicated on each item. It is considered that in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

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

14. Local Pensions Partnership Administration - Update

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

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

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

Resolved:

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

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

15. Lancashire County Pension Fund Risk Register

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It was considered that in all the circumstances of the



case the public interest in maintaining the exemption outweighed the public interest in disclosing the information).

The Head of Fund presented a report on the latest iteration of the full Risk Register for the Fund, including the methodology used to determine individual risks, and highlighting four specific risks.

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

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

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

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

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

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

Ms Y Moulton and Mr C Gibson

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

H MacAndrew
Director of Law and Governance

County Hall
Preston



Lancashire Local Pension Board

Meeting to be held on Tuesday, 11 July 2023

Electoral Division affected:
N/A;

Lancashire County Pension Fund 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 (LCPF) Breaches Log for the period 1st March 2023 to 31st May 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 consider and comment on 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:
 - o Scheme record keeping.
 - o Maintaining contributions.
 - o Providing information to members.

To ensure that the most recent and complete data is reported to the Board, this report includes details of breaches and complaints for the period 1st March 2023 to 31st May 2023.

Data Breaches

For the period 1st March 2023 to 31st May 2023 there was a total of 4 data breaches reported as follows:

A	An unsecure email was sent containing a member's full NI number contravening GDPR principle 6 to protect integrity and confidentiality of personal data held.
B	Personal data relating to a Lancashire member was sent to another LPPA client.
C	1 member's retirement documents were sent to an old address. LPPA had been advised of their new address, but this was not actioned.
D	A letter was sent to an incorrect address (wrong house number, same street) requesting a copy death certificate for a deceased member.

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 the breaches aren't significant enough to warrant reporting to the Information Commissioner.

The Fund also considers the four data breaches are not materially significant and will not be reported to the Pension Regulator.

There were also 5 incidents which included the following scenarios –

- documents were uploaded to the wrong member records but identified before any data shared
- documents issued via email to intended recipient, but staff member did not follow processes and password protect the attached documents
- an incorrect employer was emailed regarding a member but only surname and partial NI number was shared.

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 Incidents and 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 969 collections, there were 76 incidents recorded in the period where employers failed to submit contribution figures, and which have resulted in corrective action being taken. The number of incidents where employers failed to submit contributions represents 7.84% of the total submissions, in monetary value this equates to 5.36% of the total contributions received during the period. Previous

month's figures have been collected and usually results in only a small variance in what the Pension Fund should have collected. Relevant employers have all been contacted in accordance with the Stage 2 escalation procedures, which ensure that all incidents are corrected swiftly.

In the period 1st March 2023 to 31st May 2023 there was 1 breach. This occurred due to a failed direct debit where the Fund didn't have an employer's new bank details. These have now been obtained and contributions have been collected. A summary table showing incidents and breaches is below.

	Q2 Jul- Sep 22	Q3 * Oct-Nov 22	Dec 22 - Feb 23	Mar 23 – May 23
No. of Incidents**	44	68	78	76
No. of Breaches ***	2	0	10	1
% of employers not submitted (breach)	0.22%	0	1.09%	0.10%
Monetary value of contributions not submitted (breach)	£467.79	£0	£181,964.84	£20,172.11
% of contributions not submitted (breach)	0%	0%	0.40%	0.04%

*Q3 incomplete- excludes December 2022 data

** Previous month's figures were collected and usually causes only a small variance in what the Pension Fund should have collected.

*** Number of cases where no contributions collected with breakdown of the % of employers failing to submit contributions, the % of the total contributions and the monetary value of those contributions shown in the rows below.

Administration Breaches

During the period 1st March 2023 to 31st May 2023 there was one breach reported to the Fund which contravened Code of Practice guidelines.

LPPA advised that incorrect information had been provided to a member with the pension benefits quoted being different to those actually paid. The error occurred – at the quotation stage - when certain criteria within the quotation defaulted to 'yes' for 85- year rule protection which incorrectly inflated the retirement amount quoted. When processing the actual payment, the correct criteria was selected but this resulted in a lower actual payment and a member complaint. LPPA have advised that this was an isolated case due to staff being unfamiliar with new system processes and that corrective action has taken place and staff informed about the correct process.

The error is not considered to be of material significance and has not been reported to the Pension Regulator.

Summary of breaches:

	Q2 22/23	Q3 22/23*	Dec 22 – Feb 23	Mar 23 – May 23
Data	12	3	7	5
CoP- Administration	2	0	2	1
CoP- Contributions	1	1	10	1

*excludes December 2022 data

Complaints

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	
March 2023	27	14	1	0	42
April 2023	14	11	1	0	26
May 2023	28	20	2	0	50

As at 31st May 2023 the volume of complaints per 1,000 members is 2.0 (rolling 12-month basis) and is 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, 11 July 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

Background

There has continued to be activity in respect of the McCloud judgment focusing on the terms of the remedy and tax related matters. These are outlined below.

By way of a recap, when the Government reformed public service pension schemes in 2014 and 2015, transitional protections were introduced for older members, which were known as the "statutory underpin". In December 2018, the Court of Appeal ruled that younger members of the judicial and firefighters' pension schemes had been unlawfully discriminated against because the protections did not apply to them.

This ruling is called the McCloud judgment, after a member of the Judicial Pension Scheme involved in the case. Because of the ruling, there will be changes to all public service pension schemes that provided transitional protection, including the LGPS.

The changes are called the McCloud remedy and are intended to remove the age discrimination found in the McCloud court case.

2020 Consultation response

As reported at the Pension Board in April 2023 the first consultation on amendments to the statutory underpin ran in 2020. The Department for Levelling Up, Housing and Communities (DLUHC) published the [consultation response](#) in April 2023 confirming the steps it will be taking to resolve the McCloud age gap discrimination in respect of the LGPS in England and Wales. Alongside the response, in collaboration with the Scheme Advisory Board, DLUHC published a [factsheet](#) summarising the remedy for members.

The response confirms the main changes to the underpin that were proposed in the 2020 consultation:

- Underpin to be extended to younger members who are in scope.
- Underpin service will be from 1 April 2014 to the earlier of 31 March 2022, the date of leaving active service or reaching final salary normal pension age;
- Members will be in scope of underpin protection if they:
 - were active in the LGPS or another public service pension scheme on or before 31 March 2012,
 - were an active member of the career average scheme,
 - did not have a disqualifying gap in service (more than 5 years), and
 - leave active membership with a deferred or immediate entitlement to a pension, or they die in service.

The amendment regulations for the McCloud remedy will come into force from 1 October 2023.

2023 Consultation

On 30 May 2023 DLUHC launched a second [consultation](#) on amendments to the statutory underpin. This will cover reconsulting on some areas, and consulting on issues not covered in the first consultation. The department are also seeking views on [draft scheme regulations](#) which would implement the remedy. The consultation closes on 30 June 2023. LPP are holding a round table discussion with Fund representatives on the topic of McCloud on 21 June, before responding to the consultation.

The consultation includes the following areas:

- Aggregation
- Club transfers
- Flexible retirement
- Divorce

2023 Tax consultation

In February a set of regulations was laid to 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". HM Revenue & Customs (HMRC) has now published a technical consultation on a further set of draft tax regulations which set out further changes to how pensions tax rules will apply as a result of the McCloud remedy. They also give pension scheme members details of approaches to any

annual allowance, lifetime allowance or unauthorised payments tax charges they may have for the tax years from 2019–20 to 2022–23 inclusive. The consultation closes on 19 June 2023.

HMRC have published a remedy newsletter which states that they intend to publish remedy guidance for pension schemes in Autumn 2023.

2. Scheme Advisory Board Cost Management Process

Following a [consultation](#) which was reported on at the Local Pensions Board in April, DLUHC has now published the Local Government Pension Scheme (Amendment) (No. 2) Regulations 2023.

These Regulations now move the SAB cost control process to a four-year cycle, bringing it into line with the timescale for the HM Treasury cost control mechanism making the process administratively more efficient. In addition, more flexibility has been introduced regarding the recommendations SAB can make. Previously where the cost of the Scheme following the valuation was below or above the target overall cost, it was only permitted for SAB to make recommendations to bring the cost of the scheme all the way back to target cost. Following these amendments SAB can now make recommendations to bring the cost of scheme back to or towards the target costs.

The economic check which was proposed in the consultation was not introduced at this time, and SAB state that this is open for future discussion.

3. Pensions Dashboards

In March, the Pensions Minister announced delays to the delivery of Pensions Dashboards. On 8 June the Minister issued an updated [statement](#) setting out further details of the delay. Details are set out below.

- Legislation will be updated to set an overall connection deadline for all schemes, which will be 31 October 2026. This will replace the [previous staging timeline set out in legislation](#).
- The individual connection deadlines for schemes will be set out in guidance, and will be before the final deadline of 31 October 2026. DWP is planning to collaborate with the industry this year before publishing this guidance.
- The date that Dashboards will go live to the public (Dashboards Available Point) has not been announced yet, but the Minister on 8 June said that this could be earlier than 31 October 2026. This indicates that Public Sector Schemes will have an earlier staging date than 31 October 2026.

The previous staging timeline for public service pension schemes was 30th September 2024 (for find requests i.e. requests to the administrator to confirm if an individual is a member of the Fund) and 1st April 2025 (for value data i.e. pension benefit information for active members). The pensions team will monitor the impact of the statement on this timeline.



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.

4. "Club" Transfers

It was reported as an extra update following the last Local Pension Board meeting that the Superannuation Contributions Adjusted for Past Experience ("SCAPE") discount rate is primarily used for valuations of the unfunded public service pension schemes and to set their employer contribution rates. It is also used to set the actuarial factors for the calculation of Cash Equivalent Transfer Values and divorce calculations in the LGPS. Following changes to the SCAPE discount rate in March 2023, the Cabinet office have said they plan to issue new Club transfer factors and memorandum which will come into force on 1 October 2023, which will mainly impact members affected by McCloud.

The Public Sector Transfer Club allows those who move between Club schemes to transfer on special terms, so they will receive a similar amount of pension in their new scheme, regardless of any increase in salary. Normally to qualify as a Club transfer the election to transfer must be made within the first 12 months of joining the new scheme. The Cabinet Office (as secretary to the Club) have clarified that where a Club transfer takes place outside the required 12 month time limit, in exceptional circumstances and providing that both schemes agree, the transfer can proceed on a Club basis. However, the Cabinet Office have no authority to compel the schemes to accept the belated Club transfer.

5. SCAPE Discount Rate Change

Following the change to the SCAPE discount rate in March, transfer calculations and CETV values for divorce were suspended with immediate effect. On 1 June 2023 revised factors were received from the Government Actuary's Department. LPPA have loaded and tested in the UPM system.

6. SAB website updated

The SAB's website has recently been updated. The content remains the same, though the look of the site has changed.

Areas of the website which members of the Board may be interested in include: -

[SAB meeting and agenda papers](#)

[Committee meeting and agenda papers](#)

[Responsible Investment Advisory Group meeting and agenda papers](#)

[News items](#)

7. Climate Change risk reporting and FOI requests

TPR have published a [review](#) on climate related disclosures for private sector schemes, the findings of which may be useful for LGPS funds ahead of the TCFD reporting requirements (now expected to commence from 1 April 2014, with the first reports due in late 2025). The pensions team is in the process of project planning for implementation of TCFD. A key aspect of this is education and training. A Responsible Investment workshop, due to take place in October 2023, will initially cover this issue and subsequent workshops will be required thereafter.

8. PR Corporate Plan

TPR has published its [Corporate Plan for 2023/24](#). The plan outlines TPR's key priorities for the year. These include:

- working with the Financial Conduct Authority and Department for Work and Pensions to develop a value for money framework
- launching the new defined benefit funding code (the "General Code of Practice")
- increasing its attention on tackling scammers
- supporting schemes to prepare for dashboards.

The document also includes TPR's plans beyond March 2024.

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, 11 July 2023

Electoral Division affected: N/A;

General Code of Practice Update

Contact for further information:

Catherine Hunt, 01772 533757, Senior Governance Officer,
catherine.hunt2@lancashire.gov.uk

Brief Summary

The Pensions Regulator has been working on a Code of Practice which has been referred to as the Single Code of Practice but will be formally known as the General Code of Practice when it is implemented.

The Code of Practice covers occupational, personal, and public service pension schemes and will provide guidance in relation to the exercise of the functions under relevant pensions legislation and set out standards of conduct and practice expected from those who exercise each function.

This report provides a progress update to the Local Pension Board regarding implementation of the new Code.

Recommendation

The Board is asked to consider and comment on the content of this report.

Detail

It is good practice to regularly review compliance with the Code of Practice and Fund Officers intended to provide the Local Pension Board with a compliance statement in respect of the new Code in July 2023.

The compliance report for the new Code was discussed in the October 2022 and January 2023 Board meetings where it was agreed to postpone compliance reporting until the final code was available.

Unfortunately, the new Code has not been laid before Parliament ahead of the summer recess, so it is now unlikely to become law before the autumn. Once it has been laid in Parliament, it is expected to become the new requirement for Public Service Pension Schemes following a 40-day period of laying in Parliament.

Fund Officers have already undertaken a gap analysis based on the draft Code to understand and identify the areas which will require attention once the final version of the General Code of Practice is published. This was presented to the Local Pension Board in [July 2022](#) (see item 8 on that agenda).

Fund Officers intend to start working through any gaps in respect of mandatory and high priority areas and plan to bring an initial compliance statement to the October 2023 Board meeting highlighting the areas of focus.

The Pension Regulator does not expect full compliance on day one but expects a working plan demonstrating commitment to compliance which will be an evolutionary target.

However, Fund officers have started work on a standalone project in respect of Cyber Security which is a high priority gap in terms of compliance with the Code of Practice.

The final version of the General Code of Practice is expected to clarify the roles and responsibilities of the Local Pension Board and Pension Fund Committee and arrangements have been made for the Pension Regulator to give a presentation on the subject to the Local Pension Board on 11th December 2023. This will further enhance understanding around the role of the governing body which in the draft Code was quite vague.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There are no significant risk management implications as the new Code has yet to be implemented. Failure to comply with current Code of Practice 14 could result in a fine and or reputational damage and this will be the case with certain requirements under the new Code.

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, 11 July 2023

Electoral Division affected:
N/A;

Communications Update
Appendix 'A' refers

Contact for further information:
Catherine Hunt, 01772 533757 , Senior Governance Officer,
catherine.hunt2@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 consider and comment on this report.

Detail

LPPA provides communication and engagement services to all scheme members and employers of the Lancashire County Pension Fund (LCPF). The update from LPPA set out at Appendix 'A' provides information on the Engagement Activities for Quarter 1 (April to June 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 Q1 2023/24 (April 2023 to June 2023)
 - Employer and Member Training
 - Employer Visits and Support
 - Engagement Team Update
 - PensionPoint Update
 - Employer and Member Communications
 - LPPA website development
 - Member Sessions

- Planned Activity Q2 2023/24
 - LCPF Employer Activities
 - LCPF Planned Employer Communications
 - LCPF Member Activities

Following the transition to UPM there continues to be focussed activity to engage with Employers to support them in submitting their monthly returns.

The number of members registered on PensionPoint now stands at 25% in comparison to 22% reported at the last Pension Board. Ongoing member communications, including the publication of P60s and annual benefit statements are likely to result in an increase in PensionPoint registrations in the coming months.

P60s have been published for all pensioners and emails sent to members where LPPA hold an email address. Paper copies have been sent to pensioners that have opted out of electronic communications.

The LPPA online summer newsletter for active and deferred members will be issued in Q2 at the same time as Annual Benefit Statement notifications, which are due to be uploaded to member accounts by the statutory deadline (31st August 2023).

Pension Fund Team Update

Local Pension Board Recruitment

Following the recent resignation of the Employer representative for Unitary, City, and Borough Councils and the Police/Fire bodies there is a vacancy on the Pension Board. The role was advertised via the LCPF website and shared by email with the Chief Executives of the above organisations. The application deadline closed 31st May 2023 and Fund Officers are reviewing applications. Formal approval of the appointment will be a matter for full Council.

Work is also underway to recruit a new Scheme Member representative to fill the vacancy following the resignation of Ms S Maka.

Appendices

Appendix 'A' is attached to this report. For clarification this is summarised below and referenced at relevant points within this report.

Appendix	Title
Appendix 'A'	LCPF Engagement, Marketing and Communication Team Report- Q1

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.

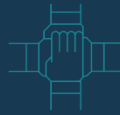
**Local Government (Access to Information) Act 1985
List of Background Papers**

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 9 June 23

Section 1

Engagement and Communication Activities 2023/24 Q1

Section 2

Planned Activity Q2

This report provides an overview of activities undertaken by the LPPA Engagement, Marketing & Communications Team in the period Q1 2023/24, and activities the team will be undertaking in the next 3 months.

Executive Summary

In Q1, there have been various communications and engagement activities including portal and monthly return submission training for employers, and P60 notifications and pension increase information for members.

For Q2, the focus will be on the production of Annual Benefit Statements (ABS) and notifying deferred and active members.

All engagement and communication objectives were successfully delivered during the period, and plans are on track for Q2 (further detail is provided in the report).

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

9 June 23

1 Engagement and Communication Activities 2023/24 Q1

1.1 Engagement Activity – Employer and Member Training

Date	Activity	Employer Name
02/03/2023	Submitting Monthly Returns	LCPF Employers
06/03/2023	Making sense of your Pension	LCPF Members
07/03/2023	UPM Employer Portal	LCPF Employers
08/03/2023	Pre-retirement (True Bearing)	Lancashire Police
09/03/2023	Making sense of Retirement	LCPF Members
12/03/2023	Pre-retirement (True Bearing)	Lancashire County Council
16/03/2023	Pre-retirement (True Bearing)	UCLan
30/03/2023	Submitting Monthly Returns	LCPF Employers
03/04/2023	Pre-retirement (True Bearing)	Lancashire County Council
12/04/2023	UPM Employer Portal	LCPF Employers
18/04/2023	Making sense of your Pension	LCPF Members
20/04/2023	Making sense of Retirement	LCPF Members
27/04/2023	Submitting Monthly returns	LCPF Employers
03/05/2023	Submitting Monthly Returns	LCPF Employers
09/05/2023	Making sense of your Pension	LCPF Members
09/05/2023	Submitting Monthly Return	LCPF Employers
16/05/2023	UPM Employer Portal	LCPF Employers
16/05/2023	Making sense of Retirement	LCPF Members
18/05/2023	Pre-retirement (True Bearing)	West Lancashire Council
18/05/2023	LGPS Scheme Essentials	LCPF Employers
23/05/2023	Pre-retirement (True Bearing)	Blackpool Council
30/05/2023	Submitting Monthly Returns	LCPF Employers

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, 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
05/04/2023	Employer Visit (support)	Preston College
14/04/2023	Employer Visit (support)	Active Lancashire Ltd
14/04/2023	Employer Visit (support)	Preston College
24/04/2023	Employer Visit (support)	Lancaster City Council
27/04/2023	Employer Visit (support)	Parklands High School
28/04/2023	Employer Visit (support)	Progress Group
12/05/2023	Employer Visit (support)	UCLan

1.3 **Engagement Team Update**

The focus for the Engagement Team has been to support 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.

1.4 **PensionPoint update**

- **PensionPoint update** (9 June) –The following figures represent the number of LCPF members who have registered to date:

Active members 18,202 (16% increase on previous figure)

Deferred members – 11,311 (15%)

Retired members and beneficiaries – 17,550 (17%)

Total 47,063 members

This represents **25%** of the total LCPF membership base, and is ahead of target (10% of all members 6 months following UPM launch in Oct 22, 20% at 12 months)

1.5 **Communications Update (Employer and Member)**

- A Pension Pulse (employer newsletter) [‘financial year end’](#) special was issued to LCPF employers.
- **Monthly Data Returns (LCPF employer communications)**

Email communications have continued to be issued to LCPF employers to support them in the submission of their monthly data return files (reminders, pre and post deadline, have also been sent to employers). In June, these email reminders have been replaced with system generated, automated reminders which include ‘data file successfully submitted’ and ‘data file processed by LPPA (please submit your next file)’ notifications.

- **McCloud communications.**

In preparation for McCloud remedy, further [communications](#) were issued to LCPF fund employers to ensure that historic data submissions have been accurately supplied (specifically hours worked and service break data).

- **P60 communications**

P60 documents were uploaded to members online accounts (PensionPoint) by the end of May, and email notifications were issued (paper copies were also mailed to members who requested them).

- **[Spring Newsletter \(retired members\)](#)**

The online newsletter was launched on the LPPA website and communicated to retired members by email.

1.5 LPPA website development

- A [pension increases web page](#) was created to update retired LCPF members and provide information on how the increase is applied.

- Further website developments (additional pages) went live including:

1. [New Joiners](#)
2. [Member contribution rates \(23/24\)](#)
3. [Additional Pension Contributions \(APC\)](#)
4. [Pension pay dates \(23/24\)](#)
5. [Updating Your Bank Details](#)
6. [Retirement Guide for Leavers](#) (updated)
7. [Tier 3 Ill Health Retirement](#) (updated)

(The 'clickable' links in the bullet point enable you to view to the page on the LPPA website)

- A [McCloud roadmap webpage](#) was also created to update LCPF and other LPPA clients.
- Several [bite-sized video Frequently Asked Questions](#) (FAQs) were developed to help answer some of the more popular member questions, including opting out, and information on the 50:50 option. Other FAQs were added following the Spring Budget, including updates on [Lifetime Allowance \(LTA\) and annual allowance](#). A [news story](#) was also added to the LPPA website.

1.6 Member Sessions

All member sessions are bookable via the 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
06/03/2023	Making Sense of Your Pension
09/03/2023	Making Sense of Retirement
18/04/2023	Making Sense of Your Pension
20/04/2023	Making Sense of Retirement
09/05/2023	Making Sense of Your Pension
16/05/2023	Making Sense of Retirement

2 *Planned Activity Q2 2023/2024*

- Communications activity will continue to encourage LCPF members to register for PensionPoint (promoting the benefits of online access to their pension).
- Employer training sessions will continue with a focus on monthly returns and navigating the UPM employer portal, and sessions will include:
 1. UPM employer portal training – sessions to support with general navigation and submitting the monthly return data file.
 2. Monthly Return Training – regular training sessions will be available for employers to attend, with a demonstration of the upload of Monthly Return file via UPM employer portal.
 3. Remote employer visits will be conducted to support with navigating the UPM employer portal.
- ABS notification activity is planned in Q2, with documents uploaded to member accounts by the statutory deadline (end August), and communications scheduled for delivery.
- The LPPA online Summer Newsletter for Active and Deferred retired members will be issued around the same time as ABS communications.

Lancashire Local Pension Board
Meeting to be held on Tuesday, 11 July 2023

Electoral Division affected:
None;

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

An update on pension related training involving members of the Board since the last meeting.

Recommendation

The Board is asked to consider the report and any feedback from individual Board members given at the meeting in relation to training they have received.

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.

Since the last meeting members of the Pension Board have attended or participated in the following pension related conference/events.

4th April 2023 Induction session for new Board members

Attended by Mr S Lawrence, Mr S Dunstan, Ms G Hart, and Ms S Maka

18th May 2023 CIPFA Annual Local Pensions Board Conference, Birmingham

Attended by Ms D Parker.

22nd May 2023 Internal workshop on LCPF Investment Strategy Statement and Risk Appetite Statement.

Participants - County Councillor M Salter, Mr S Dunstan, and Ms D Parker. Ms G Hart has recently confirmed that she has watched the recording of the workshop in the online pension library.

5th June 2023 Internal Workshop – Local Pensions Partnership Administration Ltd update.

Participants – Mr W Bourne, Mr S Dunstan and Mr K Ellard. Ms D Parker watched the recording of the workshop in the online pension library later.

26th to 28th June 2023 PLSA Local Authority Conference, Gloucestershire.

Attended by Ms G Hart.

3rd July 2023 Internal Workshop – Cyber Security.

Participants to be reported at the meeting.

Online Pensions Library

Ms G Hart has also recently confirmed that she has watched the following recordings in the online pension library. Whilst both events took place during the previous recording period as she viewed the recordings now they have been included in the Training Record for 2023/24.

23rd February 2023 Better Communications with LGPS members webinar

24th March 2023 Internal Workshop - Legal Update including breaches

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

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



Decisions made by the Pension Fund Committee have direct financial implications for the Fund. 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 Conferences and Events approved by the Head of Fund under the Scheme of Delegation to Heads of Service	24 th February 2023 14 th April 2023	Mike Neville (01772) 533431
Attendance sheet for induction session and internal pension related workshop.	4 th April 2023 22 nd May 2023 5 th June 2023	Mike Neville (01772) 533431

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

Lancashire Local Pension Board

Meeting to be held on Tuesday, 11 July 2023

Electoral Division affected:
None;

Part I reports presented to the most recent Pension Fund Committee

Contact for further information:

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

mike.neville@lancashire.gov.uk

Brief Summary

This report lists the Part I reports that were presented to the most recent meeting of the Pension Fund Committee. The Head of Fund will update members of the Board on decisions taken in respect of the reports at the meeting.

Recommendation

The Board is asked to comment in relation to the Part I reports that were considered by the Pension Fund Committee on 16th June 2023 and any decisions taken.

Detail

At the meeting on 16th June 2023 the Pension Fund Committee considered several reports in Part I of the agenda (available to the press and public) which included those listed below.

- Constitution, Membership and Terms of Reference of the Pension Fund Committee.
- Minutes of the last meeting.
- Budget Monitoring for the period ending 31st March 2023
- **Internal Audit Report 2023**
- Local Pension Board Annual Report - 2022/23
- **Investment Strategy Statement**
- **Treasury Management Policy**
- 2022/23 Training Record and feedback from members of the Committee on pension related training.
- Responsible Investment Report
- Urgent Business
- Date of Next Meeting – 15th September 2023

Members of the Board received notification when the agenda for the Committee was published and available to view on the [County Councils website](#) and 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 Committee regarding the items in bold below, 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		

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)

Document is Restricted

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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Document is Restricted

Agenda Item 16

(NOT FOR PUBLICATION: By virtue of paragraph(s) 1, 2, 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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