

Lancashire County Council

Lancashire Local Pension Board

**Minutes of the Meeting held on Tuesday, 17th October, 2023 at 2.00 pm in
Committee Room 'B' - The Diamond Jubilee Room, County Hall, Preston**

Present:

Chair

Mr W Bourne

Board Members

County Councillor J Couperthwaite - Lancashire County Council.

Mr M Davies, Employer representative - Unitary, City, Borough Councils & Police/Fire.

Ms D Parker, Scheme Member representative.

Mr K Ellard, Scheme Member representative.

Ms G Hart, Scheme Member representative.

Mr A Egerton, Scheme Member representative.

Officers

Sean Greene, Head of Pension Fund, Lancashire County Council.

Junaid Laly, Special Projects Pensions Lead, Lancashire County Council.

Julie Price, Technical Pensions Lead, Lancashire County Council.

Catherine Hunt, Senior Governance Officer, Lancashire County Council.

Mike Neville, Senior Democratic Services Officer, Lancashire County Council.

Greg Smith, Director of Strategy, Change and Governance, Local Pensions Partnership,
and Abbi Leech, Director of Finance, People and Culture and Jo Darbyshire, Managing
Director, Local Pensions Partnership Administration (items 15 and 16 only).

Also in attendance:

County Councillor E Pope, Chair of the Pension Fund Committee (observer).

County Councillor A Schofield, Deputy Chair of the Pension Fund Committee (observer).

Ms F Miller – new independent Chair of the Pension Board w.e.f. 1st November 2023
(observer).

1. Welcome and Apologies

The Chair welcomed everyone to the meeting and introduced Mr M Davies who had recently been appointed as a new Employer representative on the Board. It was also reported that apologies had been received from two other Employer representatives - Mr S Lawrence and Mr S Dunstan.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

Ms F Miller, who would be the new independent Chair of the Board from 1st November 2023, reported that she was a deferred member of the Local Government Pension Scheme and an Executive Director of another pension pooling company.

3. Minutes of the Last Meeting.

Mr Neville confirmed that Full Council had approved the appointment of Mr Davies to the Board as an Employer representative (for a period of 4 years with a possible extension of 4 years, subject to Full Council approval) with effect from 13th October 2023. He also reported that the presentation to Board members on the General Code of Practice, referred to under item 7 in the Minutes, had been rearranged and would now be held at 10.00am on 12th December 2023 via MS Teams.

The Head of Fund reported that an update on management actions resulting from the PwC Audit report on LPPA would be presented to the Board on 23rd January 2024.

Resolved:

1. That the Minutes of the meeting held on 11th July 2023 are confirmed as an accurate record and signed by the Chair.
2. That Board Members note the rearranged presentation on the General Code of Practice will be held at 10.00am on 12th December 2023 via MS Teams.

4. LCPF Breaches Report

Ms Hunt, Senior Governance Officer from the Pension Fund Team, presented a summary of Lancashire County Pension Fund contribution, data, and administration breaches for the period 1st June to 31st August 2023 together with details of the number of complaints registered during the same period. She also confirmed that there had been 5 administration breaches in June-August 2023 and not 4 as set out in the report.

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

5. Regulatory Update

Ms Price, Technical Pensions Lead from the Pensions Team, updated the Board on various pension related regulatory issues as set out in the report.



In considering the report Board members discussed implementation of the McCloud remedy, developments regarding the Pensions Dashboard, and the gender pensions gap which was to be considered by a working group established by the Scheme Advisory Board.

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

6. Communications Update

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

Regarding the LCPF Annual Report Mr Laly confirmed that a summary document would be produced in advance of 1st December 2023 publication deadline and that in future Annual Reports would be more streamlined in accordance with the CIPFA guidance referred to in the earlier Regulatory Update report. The Head of Fund added that future Annual Reports would be complimented by signposting to various policies and other documents via the Fund website.

The Board was informed that senior representatives of Employers in the Fund would be invited to attend a Strategic Fund Briefing on 11th December 2023 which would cover updates on Fund activity, the funding position and in relation to investments and administration.

Mr Laly also undertook to refer comments from a Board member regarding the contents of Appendix 'A' to the Head of Engagement, Marketing and Communications at LPPA for a response and confirmed he would also be invited to attend a future Board meeting to discuss communications.

Resolved: That the report and comments of Board members are noted.

7. Pension related training for members of the Board

Mr Neville, Senior Democratic Services Officer, presented a report on three internal pension related training events which had taken place since the last meeting and confirmed that Ms Hart had watched the recording of 3rd July 2023 workshop on cyber security in the online pension library for Board members.

Individual Board members gave feedback on the training events in which they had participated.

Resolved: That the participation of individual Board members in relation to the training set out in the report and reported at the meeting is noted and added to the Training Record for the Pension Board.



8. Lancashire Local Pension Board Workplan - 2023/24

Mr Laly, Special Projects Pensions Lead, presented a report which updated the Board on various activities detailed in the 2023/24 workplan.

It was noted that Board members would receive a training questionnaire in due course which would help inform the development of the 2024/25 Training Plan.

Resolved: That the update on activities in the 2023/24 workplan, as set out in the report presented, is noted.

9. Cyber Security Project – Update.

Mr Laly, Special Projects Pensions Lead, presented an update report on activity by the Pensions Team regarding the cyber security project, including ensuring that the Fund was compliant with the Cyber Controls module of the new General Code of Practice when it was implemented. In considering the report the Board discussed the next steps set out in the report which included the development of a cyber security policy, information sharing regarding cyber threats and securing specialist support to assist Fund Officers with the project.

Resolved: That the update on activity by the Pensions Team in relation to the Cyber Security Project, as set out in the report presented, is noted.

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

A report was presented on the items considered by the Pension Fund Committee on 15th September 2023 under Part I of the agenda and the Board made no comments in relation to any of the decisions taken including the approval of the Annual Report of the Lancashire County Pension Fund.

Resolved: That the Part I reports considered by the Pension Fund Committee on 15th September 2023 and decisions taken 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 of the Board would be held at 2.00pm on 23rd January 2024 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 of Part 1 of Schedule 12A to the Local Government Act, 1972, as indicated against the heading of each item. It is considered that in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

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

14. General Code of Practice 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).

Ms Hunt, Senior Governance Officer, presented a report on an indicative Compliance Statement for the Fund which was based on the contents of the draft General Code of Practice. In considering the report the Board discussed various modules set out in the indicative Statement, including the role of the Chair of Pension Fund Committee, dispute resolution procedures, and assurance associated with governance and internal controls and recommended a minor amendment to the layout of the heatmap.

It was noted that in future the Board would receive progress reports on individual modules with an update being presented to the Pension Fund Committee once the final General Code of Practice was released.

Resolved: That the draft indicative Compliance Statement, heatmap and activity tracker, as set out respectively at Appendices 'A' 'B' and 'C' to the report presented, are noted and that the Board be kept informed of further developments.

15. Pensions 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).

Ahead of the LPPA representatives joining the meeting, the Board discussed concerns over performance issues of LPPA and increased complaints about LPPA service provision from scheme members and employers. An update was provided by the officers on complaints and retirement experience since the last meeting of the Board, noting that improved performance was needed. The Director of Strategy,



Change and Governance, the Director of Finance, People and Culture and the Managing Director of LPPA then joined the meeting to discuss the reports at items 15 and 16 on the agenda.

The Director of Finance, People and Culture, and the Managing Director of Local Pensions Partnership Administration Ltd (LPPA) presented an update report regarding existing performance measures for the pension administration service for review by the Board in advance of a report to the Pension Fund Committee.

- The Board discussed recruitment, training, and retention of staff at LPPA and noted that there was a competitive market for experienced pensions administration staff and LPPA had implemented measures to recruit/retain and develop staff.
- It was reported that LPPA would continue to increase automation within the pensions administration system to free up staff who could then be deployed for other activity.
- Customer satisfaction/complaints were discussed, and it was suggested that the Board be provided with more detail regarding the customer satisfaction survey process and results.
- The Board noted that end to end performance measuring would provide an improved understanding of the scheme member experience.
- It was suggested that Scheme Members should be encouraged to register for the online Pensions Point system using personal email addresses so that they could access pensions information prior to retirement and continue to receive updates after leaving employment.
- The Board noted that further engagement with the provider was required to improve the processing of Additional Voluntary Contributions and so contribute to reducing the impact on elapsed times.
- The Head of Fund asked for regular, additional reporting from LPPA around areas such as complaints and retirements to better understand the current performance issues with LPPA and future progress/improvement.
- The work to date on Oracle Fusion and improvements to accessibility of pay information for LPPA was noted.
- The review of the current casework Service Level Agreement metric was discussed, and the Board agreed the proposed series of principles for future monitoring as set out in the report presented.

Resolved:



1. That the Head of Fund and the Managing Director of Local Pensions Partnership Administration Ltd (LPPA) collaborate to identify how best to get employers more engaged in administration processes, specifically the submission of monthly data.
2. That the Managing Director of LPPA be asked to provide the Head of Fund with a map of customer experience measurement points within the scheme member journey, including call centre interaction/touch points.
3. That the Head of Fund, in consultation with the Chair of the Pension Board and Ms Miller (the new Chair w.e.f. 1st November 2023) agree the scope and content on any reporting related to administration performance and SLAs that will be sent to the Pension Fund Committee.
4. That the Head of Fund, and the Technical Pensions Lead be requested to update the Service Level Agreement principles as set out in the report presented and discuss them further with the Managing Director of LPPA (and relevant LPPA representatives).

16. LPPA Efficiency and Service Improvement Plan (ESIP) 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 Director of Strategy, Change and Governance from the Local Pensions Partnership gave a presentation on the Efficiency and Service Improvement Plan (ESIP) which was intended to maximise the effectiveness of the newly implemented pensions administration system and achieve wider operational efficiencies in line with the LPPA budget. The Board commented that more specific information on ESIP be provided in future including any relevant metrics.

Resolved: That the report is noted, and the Board receive regular updates on the ESIP programme in the future.

17. LCPF 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 Chair presented a report on the management of various identified risks associated with the Fund as set out in the Risk Register and Board members commented on specific risks. The Head of Fund confirmed that any impact on investments due to the current Israeli/Palestinian conflict would be assessed under the existing geopolitical risk and considered by the Investment Panel.



Resolved: That the updates on risks associated with the Fund, as set out in the report presented is noted.

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

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

A report was presented on two items considered by the Pension Fund Committee on 15th September 2023 under Part II of the agenda.

Resolved: That the Part II reports considered by the Pension Fund Committee on 15th September 2023 referred to in the report are noted.

H MacAndrew
Director of Law and Governance

County Hall
Preston

