

Lancashire County Council

Lancashire Local Pension Board

**Minutes of the Meeting held on Tuesday, 23rd January, 2024 at 2.00 pm in
Committee Room 'B' - The Diamond Jubilee Room, County Hall, Preston**

Present:

Chair

Mrs F Miller

Board Members

County Councillor G Mirfin, Employer representative - Lancashire County Council.
Mr M Davies, Employer representative - Unitary/City/Borough Councils, Police/Fire.
Mr S Dunstan, Employer representative - Other.
Ms D Parker, Scheme Member representative.
Mr K Ellard, Scheme Member representative.
Ms G Hart, Scheme Member representative.

1. Welcome and Apologies

The Chair welcomed County Councillor G Mirfin (who had replaced County Councillor J Couperthwaite as employer representative for the County Council) to his first meeting. Mr Neville, Senior Democratic Services Officer, reported that apologies had been received from Mr A Egerton, Scheme member representative and Mr S Lawrence, Employer representative - Lancashire County Council.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

The Chair reported that she was an Executive Director of another pension pooling company and a deferred member of the Local Government Pension Scheme.

3. Minutes of the Last Meeting.

The Head of the Pension Fund reminded the Board that the Head of Engagement, Marketing and Communications at LPPA had recently attended a workshop on communications and would be invited to attend a future meeting. Regarding item 17 in the Minutes the Head of Fund updated the Board on action taken in relation to the resolution.

Resolved: That the Minutes of the meeting held on 17th October 2023 are confirmed as an accurate record and signed by the Chair.



4. Regulatory Update

Ms Price, Employer Risk and Funding Lead, from the Pensions Team, presented a report on various pension related regulatory issues, including an update on the McCloud remedy, and answered questions from Board members.

She also informed the Board that The Pension Regulator's General Code of Practice had been published and was expected to come into force on 27th March 2024. In response the Pensions Team would finalise the gap analysis, identify additional work that might be required because of the new Code, and then develop a strategic project to implement identified elements of the Code as required.

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

5. Appeals Update

Ms Price, Employer Risk and Funding Lead from the Pensions Team, presented an analysis of appeals and Ombudsman cases for the period 1st January 2023 to 31st December 2023 which included a comparison with the number of cases in previous years.

It was reported that a recent Court of Appeal ruling had determined that The Pensions Ombudsman was not considered a competent court for the recovery of monies by Funds as part of a dispute (usually in relation to overpayments to a Scheme member). As a result, Funds would now need a County Court Order to enforce recovery of overpayments and the DWP were expected to introduce legislation to remove the requirement. The Board discussed the recovery of monies and was informed that a report on overpayments (including where cases are written off) would be presented to the Pension Fund Committee on 8th March 2024.

Resolved:

1. That the report is noted.
2. That further details on the recovery of overpayments, including where cases are deemed too inefficient to recover and are subsequently written off, be presented to the next meeting.

6. Communications update

Mr Almond, Senior Governance Officer from the Pensions Team, presented a report on communications activity by the Local Pensions Partnership Administration Ltd (LPPA) Engagement and Communications Team and the Pension Fund Team.



In considering the report Board Members referenced the Strategic Briefing by the Fund for employers held in December 2023, the workshop on LCPF communications (referred to in the report at item 9) and the recently published 2022/23 Annual Report and summary document for the Lancashire County Pension Fund.

Resolved:

1. That a recording of the Strategic Briefing for Lancashire County Pension Fund employers held in December 2023 be made available to Board members via the online library.
2. That the offer by Ms D Parker, Scheme Member representative, to be involved in any Local Pensions Partnership Administration Ltd (LPPA) review of correspondence aimed at for Scheme Members be referred to the managing Director of LPPA outside of the meeting.

7. Lancashire County Pension Fund Breaches and Complaints Report

Mr Almond, Senior Governance Officer from the Pensions Team, presented a report on the number of data, contribution, administration breaches, and complaints received during the period 1st September to 30th November 2023, none of which had been deemed significant enough to warrant reporting to the Information Commissioner or The Pension Regulator. He also informed the Board that since the report was written the number of reported data breaches had been reduced from 7 to 6 as one of the breaches had been categorised as a 'near miss' rather than a breach.

Board Members noted the intention to develop a Dashboard style report on breaches and suggested that future reporting could include target performance indicators, benchmarking data (for example, a comparison of Fund cases with other sector indicators to provide context) and any 'health warnings'/data limitations.

Resolved:

1. That the summary of the Lancashire County Pension Fund breaches and complaints during the period 1st September to 30th November 2023, as set out in the report presented and updated at the meeting, is noted.
2. That the Head of Fund take account of the comments of the Board regarding the inclusion of target performance indicators, benchmarking data and 'health warnings'/data limitations in future reporting and develop a prototype dashboard style report.

8. The Pensions Regulator - Public Service Pension Schemes: Governance and Administration Research 2022-23



Mr J Laly, Special Projects Pension Lead from the Pensions Team, presented a report which summarised the findings from The Pension Regulator's survey on governance and administration practices among public service pension schemes, in which the Lancashire County Pension Fund had performed well and consistently when compared with other Funds.

Regarding the three top risks for the Fund referred to in the report Mr Laly clarified that the Administrator issues relating to expense/performance, etc, was the option presented by the Regulator in the survey. However, for clarity the Administrator issues for the Fund related specifically to the transition to the UPM system and staff recruitment and retention by Local Pensions Partnership Administration Ltd. The Board discussed resourcing of the Pensions Team and the Head of Fund outlined planned recruitment relating to governance and investment roles within the Team. In response to a comment on Climate Change the Head of Fund confirmed that the Responsible investment Policy of the Fund was due for review in 2024.

Resolved: That the summary of the findings from The Pension Regulator's survey on governance and administration practices among public service pension schemes, as set out in the report presented, is noted and details of the Pensions Team structure will be brought to the next meeting of the Board.

9. Pension related training.

Mr Neville, Senior Democratic Services Officer, presented a report on four pension related training events which had taken place since the last meeting and confirmed that Mr M Davies had attended the workshop on 12th December 2023 regarding the General Code of Practice and Good Governance, the recording of which the Chair and Mr A Egerton had subsequently watched in the online library.

It was further reported that the Chair, County Councillor G Mirfin, Mr S Lawrence, Mr S Dunstan, Ms D Parker, Ms Hart, and Mr K Ellard had all participated in the internal workshop on LCPF communications held on 16th January 2023.

Resolved: That the Training Record be updated to reflect the training received by individual Board members as referred to in the report presented and reported at the meeting.

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 1st December 2023 under Part I of the agenda and updated the Board on decisions taken. Ms Parker commended the quality of the reports on responsible investment and the 2023/24 Strategic Plan.

Resolved: That the Part I reports considered by the Pension Fund Committee on 1st December 2023 and the subsequent 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 2nd April 2023 in Committee Room 'B' - The Diamond Jubilee Room at County Hall, Preston.

13. 2024/25 programme of meetings

Resolved: That the following programme of meetings is approved, with all meetings to be held in Committee Room 'B' – The Diamond Jubilee Room at County Hall, Preston, starting at 2pm.

9th July 2024

15th October 2024

28th January 2025

1st April 2025

14. 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.

15. PWC Audit Update

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

The Head of Fund updated the Board on the outstanding audit findings that were first presented to the Board in October 2021 following an independent audit assurance report on Local Pensions Partnership Administration Ltd.



In considering the report the Board noted the intention to progress the findings to a point where a line could be drawn under the audit with further monitoring for specific items and discussed Audit and Assurance Faculty (AAF) reporting to provide independent assurance of internal controls.

Resolved: That the report is noted, and the Board be provided with further details on how the outstanding audit findings are to be resolved at the next meeting and a high-level update on AAF reporting be provided including background to AAF, uses and challenges and key findings.

16. Pension Administration Update

The Managing Director of Local Pensions Partnership Administration Ltd joined the meeting at this point.

(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).

Jo Darbyshire, Managing Director of Local Pensions Partnership Administration Ltd, presented a report which updated the Board on various administration matters, including Service Level Agreement metrics, the Efficiency and Service Improvement Plan, and outcomes from a review of the retirement process.

The Board noted the performance updates and that a detailed Audit and Assurance Faculty report was expected to be completed in 2025 to provide independent assurance of internal controls. The need for timely notification of retirements by employers and provision of good quality/accurate data was discussed and it was suggested that a timeline/plan be provided to the Board to show the activity/resources required to revert to satisfactory service levels.

Resolved: That the report presented and updates from the Managing Director of Local Pensions Partnership Administration are noted, and that production of a timeline/plan regarding activity/resources be considered by the Managing Director and Head of Fund.

The Managing Director of Local Pensions Partnership Administration Ltd left the meeting at this point.

17. 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 the Fund presented a report on risks associated with the Fund, together with an update on seven key risks which had been reviewed in 2023/24, including the provision of monthly data by a specific employer which was the subject of a specific project plan.

Resolved:

1. That the update on seven key risks in the Lancashire County Pension Fund Risk Register, as set out in the report presented, are noted.
2. That an update report on action taken in relation to the provision of monthly data (by a specific employer) be presented to the next meeting of the Board.

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).

The Head of Fund presented a report on two items considered by the Pension Fund Committee on 1st December 2023 under Part II of the agenda.

Resolved: That the Part II reports considered by the Pension Fund Committee on 1st December 2023 and decisions taken are noted.

H MacAndrew
Director of Law and Governance

County Hall
Preston

