

Lancashire County Council

Lancashire Local Pension Board

**Minutes of the Meeting held on Tuesday, 9th July, 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 S Lawrence Employer rep (Lancashire County Council)
Mr M Davies - Employer rep (Unitary, City, Borough Councils and Police/Fire)
Mr S Dunstan, Employer representative - Other.
Ms D Parker, Scheme Member representative.
Ms G Hart, Scheme Member representative.
Mr A Egerton, Scheme member representative.

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

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

Mr Neville, Senior Democratic Services Officer, presented a report on the constitution, membership, and current Terms of Reference of the Board and confirmed that the Terms of Reference would be reviewed later in the year and a revised version presented to the Board.

Resolved:

1. That the current constitution (9 members) and membership of the Lancashire Local Pension Board, as set out below, is noted.

Mrs F Miller - Independent Chair
County Councillor G Mirfin - Employer rep (Lancashire County Council)
Mr S Lawrence - Employer rep (Lancashire County Council)
Mr M Davies - Employer rep (Unitary, City, Borough Councils and Police/Fire)
Mr S Dunstan - Employer rep (Other Employers)
Ms D Parker - Scheme member rep.
Mr K Ellard - Scheme member rep.
Ms G Hart - Scheme member rep.

Mr A Egerton - Scheme member rep.

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

2. Apologies.

Apologies for absence were presented on behalf of Mr K Ellard. The Board was also informed that Ms Darbyshire, the Managing Director of Local Pensions Partnership Administration Ltd was unable to attend the meeting due to a clash of commitments.

3. Disclosure of Pecuniary and Non-Pecuniary Interests.

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

4. Minutes of the Last Meeting.

The Head of Fund updated the Board on the following actions taken after the last meeting.

Item 7 – the Pensions Team had looked at several potential data sources and determined that none were appropriate in terms of benchmarking. The Team would continue to explore benchmarking options including Scheme Advisory Board data.

Item 8 – the low level of engagement in employer training sessions would be explored further as part of the planned review of the Communications Strategy later this year.

Item 14 – Details of key performance data for the last six months is set out in the Administration Update at item 18 on the agenda for the information of the Board.

Resolved: That updates given by the Head of Fund at the meeting are noted and the Minutes of the meeting held on 2nd April 2024 confirmed as an accurate record and signed by the Chair.

5. Regulatory Update

Ms Hunt, Technical & Administration Pensions Lead, from the Pensions Team, presented a report on pension related regulatory issues and answered questions from Board members.

The Board was informed that the Fund would respond to the request from the previous Local Government Minister for information on pension asset pooling before the deadline of 19th July 2024 and it was expected that responses would be used by the newly elected Government as a source of information for future policy.

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



6. Communications Update

Ms Brown, Pensions Governance Lead 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 and answered questions from Board members.

In considering the report Board members made the following comments:

- Whilst noting that the wider commentary in the report presented was useful and there was some duplication of information which was in the detailed Administration report to Pension Fund Committee, the unilateral decision by LPPA to no longer provide a specific report to the Board was disappointing.
- It was recognised that the timing of information presented in reports to the Board was an issue and suggested that data regarding trends would be helpful in future reports.
- The LPPA Consultation Panel had provided feedback on draft retirement letters and LPPA newsletters were now being circulated by email in addition to being published on the LPPA website.
- It was acknowledged that the review of the LPPA website had led to a number of improvements and the Chair suggested that a feedback report on outcomes be presented to the Board in January 2025.

Resolved: That the comments of the Board as set out above are noted and referred to the Managing Director of Local Pensions Partnership Administration Ltd as appropriate.

7. Lancashire County Pension Fund - Governance Compliance Statement

Mr Laly, Special Projects Pensions Lead from the Pensions Team, presented a report on the draft Governance Compliance Statement which had been updated following a review by the Pensions Team to meet requirements set out in Regulations and CIPFA Guidance.

Ms Parker commented that the revised Statement was a more accessible document and suggested that text from the Board Terms of Reference regarding its remit to assist the Administering Authority be incorporated into the Statement. The Chair also acknowledged the work of the Pensions Team in producing both the revised Governance Compliance Statement and the Fund Annual Report.

Resolved: That, subject to a minor amendment regarding the remit of the Board, the Lancashire County Pension Fund Governance Compliance Statement, set out at Appendix 'A' to the report presented is noted, and recommended to Pension Fund Committee in September 2024 for consideration and approval.



8. Pension related training for members of the Pension Board.

Mr Neville, Senior Democratic Services Officer, presented the report on training events which had taken place since the last meeting of the Board and confirmed that Mr Egerton had watched the recording of the May 2024 workshop on investments in the online library for Board members.

He also confirmed that Ms Hart had participated in the PLSA Local Authority Conference on 11th – 13th June 2024 and the Chair, County Councillor Mirfin, Mr Davies, Mr Dunstan, Mr Ellard, Ms Parker, and Ms Hart had all attended the Cyber Security workshop on 9th July 2024.

County Councillor Mirfin undertook to watch some of the recordings from previous workshops in the online library for Board members and Ms Hart and Mr Dunstan gave feedback on their experiences at the PLSA Conference.

Resolved: That the participation of Board members in the training activity referred to in the report presented, together with the updates given at the meeting are noted and the Training Record updated accordingly.

9. Lancashire Local Pension Board - Annual Report 2023/24

The Head of Fund presented a report on the streamlined draft 2023/24 Annual Report on Lancashire Local Pension Board activity which, if approved, would be incorporated into the Lancashire County Pension Fund Annual Report. He also clarified that information regarding attendance at meetings/training which usually appeared in the Board's Annual Report would now be included in a section of the Fund Annual Report.

Resolved:

1. That the Lancashire Local Pension Board 2023/24 Annual Report, as set out at Appendix 'A' to the report presented is approved and recommended to the Pension Fund Committee on 13th September 2024 for consideration and inclusion in the Lancashire County Pension Fund Annual Report.
2. That to minimise duplication the Chair of the Local Pension Board is authorised to make any minor amendments to the Annual Report referred to in 1 above that may arise following a review of the content in the LCPF Annual Report.

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

The Head of Fund presented a report on the items which had been considered by the Pension Fund Committee on 14th June 2024 under Part I of the agenda. He highlighted the discussion regarding 2023/24 Budget Monitoring in Q4 and reported that the Fund was in a surplus position due in part to higher contributions than had been anticipated and lower investment management fees.



Ms Parker recommended that Board members review the Responsible Investment report to the Committee and highlighted the shareholder voting activity by the Fund and information in the report for Trustees on environmental and social factors.

Resolved:

1. That the Part I reports considered by the Pension Fund Committee on 14th June 2024 are noted.
2. That a link to the Pension Fund Committee Responsible Investment report from the meeting on 14th June 2024 be circulated to members of the Pension Board outside of the meeting for information.

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 15th October 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.

14. Lancashire County Pension Fund - Training Policy

(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 Brown, Pensions Governance Lead from the Pensions Team, presented a report on the draft revised Training Policy which would apply to both the Pension Board and Pension Fund Committee.

In considering the report the Board noted that the proposed online system would provide some training/assessment and would be complemented by external training events and a reduced number of internal workshops. Several Board members acknowledged the requirement for them to have an adequate level of knowledge and



understanding of pensions related matters and agreed that the revised policy would support that.

Resolved: That the draft Training Policy, as set out at Appendix 'A' to the report presented, is recommended to the Pension Fund Committee on 13th September 2024 for approval.

15. LCPF Cyber Security Strategy

(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).

Mr Almond, Senior Governance Officer from the Pensions Team, presented a report on the proposed Cyber Security Strategy and associated Cyber Hygiene Guidelines and Cyber Incident Response Plan. The Board was supportive of the proposed Strategy and associated documents and noted that Officers, in conjunction with Lancashire County Council Digital Services Team, would provide support to ensure that Board members IT equipment would be compliant with the new requirements.

Resolved: That the draft Cyber Security Strategy and associated documents, as set out in the Appendices to the report presented, are recommended to the Pension Fund Committee on 13th September 2024 for approval.

16. LCPF Breaches Report

(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).

Mr Almond, Senior Governance Officer from the Pensions Team, presented a detailed report on contribution, data, and administration (code of practice) breaches, and complaints received between March and May 2024. When considering the report, the Board was informed that since the agenda had been circulated one of the data breaches set out in the Appendix had been reclassified as a process breach.

Resolved: That, subject to the amendment reported at the meeting, the summary of the Lancashire County Pension Fund breaches and complaints for March to May 2024, as set out in the report presented, is noted.

17. 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 items considered under Part II of the agenda at the Pension Fund Committee on 14th June 2024 and highlighted that the Annual Administration and Fund Risk Register were both the subject of specific update reports for the Board on this agenda.

Resolved: That the Part II reports considered by the Pension Fund Committee on 14th June 2024 are noted.

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

18. Pension 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).

Ms Leech, the Director of Finance, People and Culture from Local Pensions Partnership Administration Ltd presented an update report on various administration matters and answered questions on staffing, the Efficiency and Service programme and the Retirement Action Plan.

Resolved: That the report and updates from the Director of Finance, People and Culture from Local Pensions Partnership Administration Ltd are noted.

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

19. 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).

Mr Almond, Senior Governance Officer from the Pensions Team, presented a report on risks associated with the Fund, together with an update on five key risks which had been reviewed in Q1 of 2024/25, two of which were recommended for closure. In accordance with the decision from the previous meeting the report also included an update from the Head of Fund on the production of Annual Benefit Statements ahead of 31st August 2024 deadline.



Resolved:

1. That the updates on five key risks set out in the report presented are noted.
2. That a report on the outcome of Annual Benefit Statement production by 31st August 2024 deadline be presented to the Pension Fund Committee on 13th September 2024.
3. That the proposed closure of risks T2 and T3, is recommended to the Pension Fund Committee.

H MacAndrew
Director of Law and Governance

County Hall
Preston

