

Lancashire County Council

Lancashire Local Pension Board

Wednesday, 8th July, 2015 at 2.00 pm in Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston

Agenda

Part I (Open to Press and Public)

No.	Item	
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|----|---|-----------------|
| 1. | Apologies | |
| 2. | Disclosure of Pecuniary and Non-Pecuniary Interests | |
| 3. | Appointment of Chair, Membership and Terms of Reference | (Pages 1 - 10) |
| 4. | Draft Code of Conduct and Conflict of Interests Policy | (Pages 11 - 28) |
| 5. | Board Arrangements | (Pages 29 - 32) |
| 6. | Objectives and Priorities | (Pages 33 - 36) |
| 7. | Knowledge and Understanding Requirements for Members of Local Pension Boards | (Pages 37 - 40) |
| 8. | Establishment of Budget | (Pages 41 - 42) |
| 9. | Lancashire County Pension Fund Pension Administration Quality of Service Report April 2015 | (Pages 43 - 48) |

10. **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 Chair should be given advance warning of any Member's intention to raise a matter under this heading.

11. Date of Next Meeting

It is proposed that the next meeting of the Board will be held on Monday 19 October 2015 at 2pm in Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston.

12. 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)

13. Recent Reports Considered by the Pension Fund Committee (Pages 49 - 56)

I Young
Director of Governance,
Finance and Public Services

County Hall
Preston

Lancashire Local Pension Board

Meeting to be held on 8 July 2015

Electoral Division affected: None

Appointment of Chair, Membership and Terms of Reference

(Appendix 'A' refers)

Contact for further information:

Dave Gorman, (01772) 534261, dave.gorman@lancashire.gov.uk

Executive Summary

Appointment of Chair, Membership and Terms of Reference of the Lancashire Local Pension Board.

Recommendation

The Board is recommended to:

- (i) Note the appointment of Mr William Bourne as Independent Chair of the Board;
- (ii) Note the membership of the Board as set out in the report;
- (iii) Note the Terms of Reference of the Board as set out at Appendix 'A'.

Background and Advice

At its meeting on 18 December 2014, the Full Council approved proposals to establish a nine member Lancashire Local Pension Board as required by the Local Government Pension Scheme (Amendment) Regulations 2014.

Subsequently, and in accordance with the process agreed by Full Council, Mr William Bourne was appointed as Independent Chair of the Board. The remaining eight members of the Board (four employer representatives and four scheme member representatives) were also appointed and are as follows:

Employer Representatives

County Councillor Tony Martin, Cabinet Member for Adult and Community Services, Lancashire County Council

Steve Browne, Corporate Director, Commissioning and Deputy Chief Executive, Lancashire County Council

Steve Thompson, Director of Resources, Blackpool Council (representing Unitary, City, Boroughs, Police and Fire)

Carl Gibson, Director of Finance, Edge Hill University (representing other employers)

Scheme Member representatives

Kathryn Haigh, representing active members

Yvonne Moulton, representing active members

John Hall, representing deferred members

Robert Harvey, representing pensioner members

A copy of the Board's Terms of Reference are set out at Appendix 'A'.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There are no significant risk management implications.

List of Background Papers

Paper	Date	Contact/Tel
Report to Full Council - 'Establishment of the Lancashire Pension Board'	18 December 2014	Dave Gorman, (01772) 534261,

Reason for inclusion in Part II, if appropriate

N/A

Appendix 'A'

TERMS OF REFERENCE AND DELEGATED AUTHORITIES OF LOCAL PENSION BOARD

1. Role of the Local Pension Board

The role of the Lancashire Pension Board as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to –

- a) To assist Lancashire County Council as Administering Authority in its role as Scheme Manager; –
 - i. to secure compliance with the 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
 - iii. in such other matters as the LGPS regulations may specify
- b) To secure the effective and efficient governance and administration of the LGPS for the Lancashire County Pension Fund
- c) To provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.

The Pension Board will also help ensure that the Lancashire County Pension 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.

The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively, but not less than four times in any year.

2. Membership and Appointment Process

The Pension Board shall consist of 9 members and be constituted as follows:

- a) 4 employer representatives, of whom:
 - i. 2 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;
 - ii. 1 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

- iii. 1 shall be nominated by all other employers within the Fund.
- b) 4 scheme member representatives of whom:
 - i. 2 shall represent and be drawn from active members of the Lancashire County Pension Fund;
 - ii. 1 shall represent and be drawn from pensioner members of the Lancashire County Pension Fund; and
 - iii. 1 shall represent and be drawn from deferred members of the Lancashire County Pension Fund.
- c) 1 independent member selected by the Scheme Manager, who shall not be a member of the Lancashire County Pension Fund and who shall be appointed as Chair of the Board. Such appointment will only be made following an openly advertised competition for the role.

Members in all categories will only be appointed to the Board by the Scheme Manager if they meet the skill and knowledge requirements set out in the relevant regulations and guidance, and as set out in section 7, below.

Members of the Board in categories a) iii., and b) i., ii., and iii., shall only be appointed after all employers or members of the Fund in those categories have been invited to put forward nominations. Where there is more than one nomination in any category then any nominee who meets the relevant knowledge and skills requirement will be included on a ballot of all members or employers in the relevant category. The winner in such a ballot will be the candidate with the greatest number of votes under the "first past the post" method.

Members of the Board will serve for a term of four years. Other than as a result of retirement at the expiry of this period the term of office will come to an end:

- a) For employer representatives who are councillors if they cease to hold office as a councillor;
- b) For employer representatives who are not councillors when they cease to be employed by the employing body where they were employed on appointment;
- c) For scheme member representatives if they cease to be a member of the relevant member group.

Each Board member should endeavour to attend all Board meetings during the year and is required to attend at least 3 meetings each 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.

In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Scheme Manager.

Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by the unanimous agreement of all of the other members. The removal of the independent member requires the consent of the Scheme Manager.

3) Quorum

The Board shall not be quorate unless the Chair and at least 2 employer representatives and 2 scheme member representatives are present.

4) Conflicts of Interest

The policy for identifying conflicts of interest is set out in a separate policy document.

5) Board Review Process

The Board will undertake each year a formal review process to assess how well it and its members are performing with a view to seeking continuous improvement in the Board's performance.

6) Advisers to the Board

The Board may be supported in its role and responsibilities through the appointment of advisers, in addition to the Scheme Manager'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.

The Board shall ensure that the performances of the advisers so appointed are reviewed on a regular basis.

7) Knowledge and Skills

A member of the Pension Board must be conversant with:

- a) The legislation and associated guidance of the Local Government Pension Scheme (LGPS).
- b) Any document recording policy about the administration of the LGPS which is for the time being adopted by the Lancashire County Pension Fund.

A member of the Pension Board must have knowledge and understanding of:

- a) The law relating to pensions, and

- b) Any other matters which are prescribed in regulations.

It is for individual Pension 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 Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.

Pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.

Pension Board members will comply with the Scheme Manager's training policy.

8) Board Meetings – Notice Minutes and Reporting

The Scheme Manager shall give notice to all Pension Board members of every meeting of the Pension Board, and shall ensure that all papers are published on the Lancashire County Pension Fund Website at least 5 working days prior to each meeting. These may at the discretion of the Scheme Manager be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.

The Scheme Manager shall ensure that a formal record of Pension Board proceedings is maintained. Subsequent to each meeting the Chair will be asked to approve the minutes for publication as a draft and circulation to all members of the Board.

The Pension Board shall on an annual basis produce a report on both the nature and effect of its activities for consideration by the Administering Authority. The contents of this annual report will be subject to consideration and agreement at a meeting of the Board, but should include, inter alia:

- a) Details of the attendance of members of the Board at meetings;
- b) Details of the training and development activities provided for members of the board and attendance at such activities;
- c) Details of any recommendations made by the Board to the Scheme Manager and the Scheme Manager's response to those recommendations;

d) Details of the costs incurred in the operation of the Board

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 Scheme Manager, to which the Scheme Manager shall respond at the subsequent meeting.

9) Remit of the Board

The Pension Board must assist the Scheme Manager with such other matters as the scheme regulations may specify. It is for scheme regulations and the Scheme Manager to determine precisely what the Pension Board's role entails. This role involves but is not limited to oversight and comment on:

- Performance standards;
- Customer service standards;
- Data quality and record keeping;
- Relative and absolute costs of running the fund;
- Learning from appeals and complaints;
- The application of specific policies within the fund, and
- The steps required to address any deficit within the fund.

10) Standards of Conduct

The role of Pension Board members requires the highest standards of conduct and therefore the "seven principles of public life" will be applied to all Pension Board members and embodied in their code of conduct.

These principles are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

11) Decision making

Each member of the Pension Board will have an individual voting right but it is expected the Pension Board will as far as possible reach a consensus. The Chair of the Pension Board will not have a final deciding vote.

12) Publication of Pension Board information

Scheme members and other interested parties will want to know that the Lancashire County Pension Fund is being efficiently and effectively managed. They will also want to be confident that the Pension 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.

Up to date information will be posted on the Lancashire County Pension Fund website showing

- The names, contact details and other relevant information about the Pension Board members;
- How the scheme members are represented on the Pension Board
- The responsibilities of the Pension Board as a whole;
- The full terms of reference and policies of the Pension Board and how they operate;
- Details of the Pension Board appointment process;
- Any specific roles and responsibilities of individual Pension Board members.

The Scheme Manager 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.

13) Accountability

The Pension Board will be collectively and individually accountable to the Scheme Manager.

14) Expense Reimbursement and Remuneration

All members of the Board 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.

Members of the Board 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.

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.

The Chair of the Boards shall receive a fixed annual allowance set initially (2015) at £10,000 pa (in addition to travel and subsistence expenses) to be inflated in April each year by the Retail Price Index for the previous September.

15) Reporting Breaches

Any breach brought to the attention of the Pension Board, whether potential or actual, shall be dealt with in accordance with the procedure set out in a separate policy document.

16) Definitions

The undernoted terms shall have the following meaning when used in this document:

<i>"Pension Board" or "Board"</i>	Means 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
<i>"Scheme Manager"</i>	Means the Pension Fund Committee as administering authority of the Lancashire County Pension Fund.
<i>"Chair"</i>	The individual responsible for chairing meetings of the Board and guiding its debates.
<i>"LGPS"</i>	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 The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009
<i>"Scheme"</i>	Means the Local Government Pension Scheme as defined under "LGPS"

Lancashire Local Pension Board

Meeting to be held on 8 July 2015

Electoral Division affected: None

Draft Code of Conduct and Conflict of Interests Policy

(Appendix 'A' refers)

Contact for further information:

Dave Gorman, (01772) 534261, dave.gorman@lancashire.gov.uk

Executive Summary

This report sets out the requirement for a Code of Conduct, including a Conflict of Interests Policy, for the Local Pension Board, and arrangements in advance of approval to a final Code of Conduct.

Recommendation

The Board is recommended to:

- (i) Note the requirement to complete a declaration of interests in advance of the first meeting of the Board;
- (ii) Note the draft Code of Conduct, including a Conflict of Interests Policy, set out at Appendix 'A';
- (iii) Note that the final Code of Conduct, including the Conflict of Interests Policy, will be submitted to the Full Council for approval in due course;
- (iv) Note that, subject to the approval set out at (iii) above, all Board Members will be required to confirm whether any changes are necessary to their original declaration in the light of any changes to the final approved Code of Conduct.

Background and Advice

The Lancashire Local Pension Board is required to be fully compliant with legislative requirements for identifying, monitoring and managing potential conflicts of interest so as to ensure that no actual conflicts of interest arise.

Work is being undertaken to develop a Code of Conduct for the Board, as required by the Public Service Pension Act 2013, which will include a Conflict of Interests Policy. A draft Code of Conduct is set out at Appendix 'A'. The draft Code of Conduct mirrors, as far as possible, the County Council's Code of Conduct for Members and Co-opted Members. There is a requirement for all Board Members to make a declaration in advance of the first meeting of the Board and arrangements have been put in place to facilitate this.

The final draft document will require the approval of the Full Council after which all Board Members will be required to confirm whether any changes are necessary to their original declaration in the light of any changes to the final approved Code of Conduct.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There are no significant risk management implications.

List of Background Papers

Paper	Date	Contact/Tel
Report to Full Council - 'Establishment of the Lancashire Pension Board'	18 December 2014	Dave Gorman, (01772) 534261,

Reason for inclusion in Part II, if appropriate

N/A

**Lancashire Local Pension Board
Code of Conduct and Conflicts of Interest for Members**

You are a member of the Lancashire Local Pension Board and hence you shall have regard to the following principles – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Accordingly, when acting in your capacity as a member:

You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.

You must not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.

When carrying out your public duties you must make all choices on merit.

You are accountable for your decisions to the public and you must co-operate fully with whatever scrutiny is appropriate to your office.

You must be as open as possible about your decisions and actions and the decisions and actions of the Board and should be prepared to give reasons for those decisions and actions.

You must declare any disclosable financial or non-financial interests that relate to your public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests in a manner conforming with the procedures set out below.

You must always treat people with respect, including the organisations and public you engage with and those you work alongside.

You must behave in accordance with all legal obligations, alongside any requirements contained within this Board's policies, protocols and procedures, including the Conflicts of Interests policy at Appendix 'A'.

You must promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example.

You must take account of relevant advice from professional officers and advisors, taking all relevant information into consideration, remaining objective and making decisions on merit.

Draft Version

1.7 It is a criminal offence to:

- Fail to notify the Monitoring Officer of any disclosable pecuniary interest within 28 days of appointment;
- Fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
- Fail to notify the Monitoring Officer within 28 days of a disclosable pecuniary interest that is not on the register that you have disclosed to a meeting;
- Participate in any discussion or vote on a matter in which you have a disclosable pecuniary interest;
- Knowingly or recklessly providing information that is false or misleading in notifying the Monitoring Officer of a disclosable pecuniary interest or in disclosing such interest to a meeting.

The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a member for up to 5 years.

Appendix A

Lancashire Local Pension Board

Conflict of Interests Policy

Introduction

This document outlines the approach for ensuring Lancashire Pension Board is fully compliant with legislative requirements for identifying, monitoring and managing potential conflicts of interest so as to ensure that no actual conflicts of interest arise.

This policy applies to members of the Pension Board and to all officers and advisors supporting the operation of the Pension Board.

The policy sets out the procedures to be followed and the checks and measures in operation to ensure the business of the Board and any decisions or actions taken by it are open, transparent and compliant.

Managing Potential Conflicts of Interest – Legislative Requirements on Pension Boards

Under section 5 (para 4) of the Public Service Pension Act 2013 it is a requirement for the regulations governing public sector pension schemes to include provisions ensuring Board members do not have conflicts of interest. The Local Government Pension Scheme Regulations 2013 fulfil this requirement within Part 3 – Governance as follows:

LGPS Regulations 2013

Regulation 108: Local Pension Boards: Conflicts of Interest

- (1) Each administering authority must be satisfied that any person to be appointed as a member of a local pension board does not have a conflict of interest.
- (2) An administering authority must be satisfied from time to time that none of the members of a local pension board has a conflict of interest.
- (3) A person who is to be appointed as a member of a local pension board by an administering authority must provide that authority with such information as the authority reasonably requires for the purposes of paragraph (1).
- (4) A person who is a member of a local pension board must provide the administering authority which made the appointment with such information as that authority reasonably requires for the purposes.

Pension Regulator Code of Practice on Conflicts of Interest

The Public Service Pensions Act 2013 extended the regulatory oversight of the Pensions Regulator (tPR) to include public sector schemes and added new provisions into the Pensions Act 2004 requiring tPR to issue a code of practice on the governance of public service pension schemes including conflicts of interest for Pension Boards.

Complying with these new requirements (Section 90A to the Pensions Act 2004) tPR issued Code of Practice no.14 (Governance and Administration of Public Service Pension Schemes) in January 2015. This Conflicts of Interest Policy has been developed having

Appendix A

regard to the details of the code which interprets legal requirements and offers practical guidance to Administering Authorities on meeting the terms of LGPS Regulation 108 (above).

This Conflicts of Interest Policy for the Pension Board of the Lancashire County Pension Fund sets out procedures to be followed by individuals in their capacity as Board members and as officers or advisors supporting the operation of the Lancashire Pension Board. In addition, individuals must also comply with all requirements placed on them by codes of conduct and other policies connected with their wider roles and responsibilities, whether as elected members, officers, salaried officials or advisors (e.g. by the County Council Code of Conduct, and the Protocol for County Councillor/ Officer Relations and their equivalents within other employer organisations).

This policy encourages the consideration of interests in their broadest sense, an approach which reinforces the expectation that Board members officers and advisors will maintain the highest standards of conduct in adherence with the seven principles of public life

These principles are –

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

Conflict of Interests Procedure

The prevention of actual conflicts of interest is reliant on the effective management of potential conflicts of interest. This entails Pension Board members (and the officers and advisors supporting them) having a clear understanding of what a potential conflict of interest is and what they must do to ensure that no actual conflict arises.

The potential for a conflict of interest exists whenever there are underlying personal interests capable of compromising an individual's ability to act with objectivity. An interest is a personal stake or a perceived obligation (to a person, group or organisation) which is likely to prejudice an individual in the course of fulfilling the responsibilities of their role. Interests can be both financial and non-financial. Financial interests include current or prospective assets or investments plus influences from an employment, trade, profession or contract. Non-financial interests can be many and varied but will include specific memberships or affiliations which compromise the individual's ability to think or act without bias when acting in their official capacity.

It is inevitable that Pension Board members will have interests. Where these will potentially prejudice the exercise of functions as a member of the Pension Board by directly impacting on Board business (or will have the appearance of doing so) it is essential they are known about and managed effectively in order to protect the impartiality and standing of the Board and ensure the transparency of its operation and outcomes.

A potential conflict of interest will arise when an individual has a responsibility or duty connected to their membership of the Pension Board whilst at the same time having

- a separate personal interest (financial or otherwise)
- a responsibility by virtue of another role or position they hold
- a close colleague or family member with a specific responsibility or a direct interest in a particular aspect of Pension Board business.

Appendix A

Sensitive interests

Where you consider that disclosure of the details of an interest could lead to you, or a person connected with you, being subject to violence or intimidation, and the County Council's Monitoring Officer agrees, if the interest is entered on the register, copies of the register that are made available for inspection and any published version of the register will exclude details of the interest, but may state that you have an interest, the details of which are withheld.

Under this policy, the effective management of all potential conflicts of interest will be achieved through consistent compliance with 6 clear steps:

1. **identifying** interests
2. **disclosing** interests
3. **maintaining** an up to date register of interests
4. **declaring** potential conflicts
5. **managing** potential conflicts
6. **recording** and reviewing the management actions taken

Identifying Interests

The existence of any interest fundamentally incompatible with fulfilling the role and statutory responsibilities of a Pension Board member will be identified as part of the appointment process and will ultimately prevent an individual from being appointed to the Board.

Following their appointment to the Pension Board, all Board members are required to identify any interests held directly by themselves or by close family or contacts which have the potential to lead to a conflict of interest.

This identification of interests involves detailed reflection on the role and specific responsibilities of the Pension Board and its members which are as set out in the Terms of Reference for the Pension Board.

Examples of the most common interests and the scenarios in which they may cause a conflict to arise are included at Annex 1.

Disclosing Interests

Board members are required to complete and submit an interim disclosure form in advance of attending their first Pension Board meeting.

Thereafter members will be required to disclose all financial and non-financial interests via the completion and submission of the form at Annex 2). A definition of financial and non-financial interests is set out at Annex 3

Where no relevant interests are identified by a member, they must submit a nil return to evidence that they have complied with the requirement to identify and disclose all relevant interests.

Appendix A

It is the responsibility of each Board member to regularly consider and review their relevant interests and to submit a further disclosure form within 28 days of becoming aware of any changes to an interest previously disclosed or of any new interest not previously disclosed.

All Board members must review their interests and submit an updated disclosure annually. For Board members with no relevant interests this will involve the submission of a new nil return. Making an updated return on each anniversary of their appointment to the Board will assist Lancashire County Council (as the administering authority) to fulfil the requirement to be satisfied from time to time that none of the members of a local pension board has a conflict of interest.

Completed disclosure forms must be submitted to (named post within Democratic Services) who will review the completeness of the disclosure form and confirm it has been signed and dated by the appropriate Board member before the details are input onto the register.

Maintaining an up to date Register of Interests

An up to date register of the interests disclosed by Pension Board members will be maintained by (named post within Democratic Services).

The register of interests will be held electronically (give details of a named platform/system to be used?) with details from new declaration forms input in a timely manner.

The register will be maintained so as to provide an accurate and up to date record of all details disclosed by individual Pension Board members and the date on which their disclosures were made.

Information held in the register will form the basis of a regular (annual?) review of member interests by the Pension Board.

Each review will

- encourage a thorough reflection on relevant interests disclosed by Board members
- allow a comparison of the range of interests being identified by individual Board Members and support interests being universally and consistently understood
- confirm that, during the prior period, an appropriate declaration was made on every occasion where a registered interest had (or appeared to have) the potential to impact an item of business
- examine the effectiveness of the management approach to potential conflicts of interest
- confirm the accuracy and completeness of record keeping in order to identify weaknesses or learning points requiring action

A copy of the register will be available for public inspection and will be published on the County Council's website.

Declaring Potential Conflicts

Pension Board members are personally responsible for identifying potential conflicts of interest. They must routinely review the work plan, agenda and papers of the Board in advance in order to identify any matters in which they have an interest.

Where a Board member is aware of an interest with the potential (or appearance of having the potential) to cause a conflict they should declare this in advance of the meeting taking

Appendix A

place by providing details to (post within Democratic Services) who will inform the Chair of the Board.

The Local Pension Board must be confident that the advice it receives from officers and advisers is independent and truly in the best interests of the Fund. For this reason officers and advisers giving advice to the Local Potential Board must declare any situation where a potential, perceived or actual conflict exists, in order that it can be appropriately managed. Declarations should be made in advance to (named post within Democratic Services) who will inform the Chair of the Board.

Declaring an interest in advance provides the opportunity for adequate reflection on the most appropriate approach to managing a potential conflict, it also encourages open discussion and ensures a fully transparent approach.

All meetings of the Local Pension Board will commence with a standing agenda item which facilitates the declaration (and where necessary the disclosure and declaration) of all relevant interests.

Where it becomes apparent during the course of a meeting that an undisclosed interest held by a Board member, officer or advisor is relevant and creates the potential (or appears to create the potential) for a conflict, this interest must be immediately drawn to the attention of the Board Chair who will determine the appropriate course of action to manage this situation.

Managing Potential Conflicts

Potential conflicts of interest will arise as a result of a variety of interests and scenarios and they fall to be managed on a case by case basis in the manner most suited to ensuring that

- no actual conflict will arise
- where there is the appearance of a potential conflict this acknowledged and addressed openly
- adequate attention is given to recording the basis for judging a declared interest to be immaterial

The Board must determine the appropriate mechanism for managing each potential conflict. Approaches to managing potential conflicts of interest will include

- the member for whom the potential conflict exists taking no part in discussions or voting on the matter creating the conflict
- the member relinquishing or divesting themselves of a personal interest which is the source of a conflict of interest with their Pension Board responsibilities (where practical)
- a member considering resignation from their position if the conflict is likely to be so persistent as to limit meaningful participation in the Pension Board
- The Scheme manager removing the individual from the Pension Board where they consider the potential conflict is impractical to manage

Recording the Management Approach

Appendix A

Details of the specific approach taken to manage potential conflicts of interest will be documented and reported upon as part of the routine business of the Board.

As an integral part of the minute taking which formally records the conduct and outcomes of Pension Board meetings, responsibility for recording and reporting on the existence of potential conflicts of interest and the management approach to preventing an actual conflict from arising rests with (job title Democratic Services)

Wherever a relevant interest is declared, the minutes of the Board will record this and give details of how the potential conflict of interest was managed to prevent an actual conflict from arising.

Compliance with the approach and procedures set out within this Conflict of Interests Policy is a requirement under the Terms of Reference for the Pension Board and the Code of Conduct for Members of the Pension Board of the Lancashire County Pension Fund.

DRAFT

Examples of Interests Creating Potential Conflicts

The following examples of potential conflicts of interest are provided for illustrative purposes.

Members of the Pension Board may be officers of the administering authority or another employer organisation within the Fund and will potentially face conflicting priorities by virtue of these two roles.

Example 1

Pension Board members may be required to make or scrutinise a decision which will commit the Fund to injecting additional resources into improving administration and efficiency which will involve greater costs falling on employer organisations. Simultaneously, they may face pressure from their employing organisation to challenge existing budgets and to reduce expenditure on pension administration matters.

Example 2

The Local Pension Board might review a decision by the Pension Committee to levy an additional charge (under the Regulations) on a group of employers whose poor performance in carrying out their statutory functions in respect of the LGPS has caused the Administering Authority additional costs. Any Board member employed by one of the affected employer organisations would need to declare their interest in order for a potential conflict to be identified and managed so as to prevent any actual conflict of interests from arising.

A Board member might be employed by (or have some other relevant connection with) a firm providing administrative or other services to the Fund.

Example 3

Where the Board is due to discuss or monitor the performance of a supplier of administrative or other services in which a Board Member has an interest they will face a potential conflict of interests. The Member will need to declare their interest in order for a potential conflict to be identified and managed so as to prevent any actual conflict of interests from arising.

A Board member may have financial or other interests which give the appearance of a conflict but which, by virtue of their nature or scale, are not ultimately material to the issue under consideration by the Board

Example 4

A Board member holds shares in a company that provides services to the Fund. The shares are valued at a few hundred pounds and the company's value is many tens of millions. The Pension board is reviewing the performance of the provider and a decision to extend the value and term of the contract.

In this case the Board may consider that on grounds of materiality, no conflict of interest exists. The Local Pension Board is not responsible for the decision to award the contract and the impact of the contract extension will have no effect on the company's share price. The Board member in question should, however, still declare their interest and the minutes of the meeting should record the decision that the Board judged the interest insufficiently material to require the member to be excluded from discussing or voting on the item of business.

Lancashire Local Pension Board

Code of Conduct for Members

Notification of Disclosable Financial and Non-Interests

I

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(insert title e.g. Mr or Mrs, and first name/surname)

as a member of Lancashire Local Pension Board have set out below the financial interests (sections 1 to 7) and the non-financial interests (sections 8 and 9) which I am required to disclose under the Code of Conduct for Board members and I have put "none" where I have no such interests under any heading

"Financial interest" means an interest which is my interest, or the interests of a close colleague or family member and I am aware that the other person has the interest. (NB. These people are referred to below as "the relevant person")

Financial Interests (see guidance notes at Annex 3)

- 1. Any employment, office, trade, profession, or vocation carried on for profit or gain:**

<i>Description of your employment</i>	<i>Details</i>

- 3. Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the Lancashire County Pension Fund: (a) under which goods or services are to be provided or works are to be executed and (b) which has not been fully discharged:**

<i>Description of Contract</i>

4. Any beneficial interest in land.

<i>Address/description of land</i>	<i>Nature of Interest in land</i>

5. Any licence (alone or jointly with others) to occupy land for a month or longer:

<i>Address/description of land</i>	<i>Nature of Interest in land</i>

6. Any tenancy where (to my knowledge): (a) the landlord is the Lancashire County Pension Fund; and (b) the tenant is a body in which the relevant person has a beneficial interest:

<i>Address/description of land</i>	<i>Nature of Interest in land</i>

7. Any beneficial interest in securities of a body where: (a) that body (to my knowledge) has a place of business or land associated with the Lancashire County Pension Fund; and (b) either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class:

Name of Body

Non-Financial Interests (see guidance notes at Annex 3)

8. Any position of general control or management, or membership of any body:

Name of Body	Details

9. Any gift or hospitality received or declined which is in excess of £25 in value:

Details of Gift or Hospitality received or declined including date	Name and Address of Donor

Signed

Date

2. Definitions

2.1 Financial Interests

Financial interest means an interest of a description specified below which is your interest, your spouse’s or civil partner’s or the interest of somebody who you are living with as a husband or wife, or as if you were civil partners and you are aware that that other person has the interest.

Interest	Prescribed description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member..</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the <u>Trade Union and Labour Relations (Consolidation) Act 1992</u>.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority:</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>

Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate Tenancies	Any tenancy where (to M's knowledge): <ul style="list-style-type: none"> (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where: <ul style="list-style-type: none"> (a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and (b) either: <ul style="list-style-type: none"> (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

2.2 Non-Financial Interests

Disclosable non-financial interest means an interest of a description specified below which is your interest, your spouse's or civil partner's or the interest of somebody who you are living with as a husband or wife, or as if you were civil partners and you are aware that that other person has the interest.

Interest	Description
Outside Bodies	Any position of general control or management, or membership of any body, except where you have been nominated to that body by the Board

Gifts and Hospitality

Any person or body from whom you have received a gift or hospitality with an estimated value above £25 (see below)

Lancashire Local Pension Board

Meeting to be held on 8 July 2015

Electoral Division affected: None

Board Arrangements

Contact for further information:

William Bourne, 07876 350650, william@linchpin.uk.com

Executive Summary

Proposed arrangements for the Board.

Recommendation

The Board is recommended to consider the proposals set out in the report in relation to:

- Meeting Dates and Times
- Standing Agenda Items
- Standard Information to be made available
- Staggered Tenures of Office

Background and Advice

This report sets out recommendations for a number of logistical issues which the Lancashire County Pension Fund (LCPF) Local Pension Board ("The LPB") needs to make decisions on in order to run smoothly. The LPB is asked to consider and either approve, or to amend and approve the recommendations.

1. The proposed meeting dates for the next nine months are:

Monday 19th October 2015

Monday 18th January 2016

Monday 11th April 2016

Meetings will be held in Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston starting at 2pm, unless otherwise advised, and will be expected to last until 4.30pm.

The Board is asked to approve the proposed meeting dates set out above.

2. Standing agenda items will consist of:

- a. Approval of previous meeting's minutes
- b. Disclosure of Interests
- c. Review of regular reports considered by the Pension Fund

The Board is asked to approve the standing agenda items set out above.

3. Board Members will be able to access Pension Fund Committee agenda and reports online upon publication, five clear working days in advance of the Committee meeting. The Board is asked to decide which of the following options it would prefer to take in the future in order to have sight of the information it requires in order to conduct its role properly:

- i) Include the whole Pension Fund Committee agenda pack for each meeting;
- ii) Review a list of reports at each meeting for scrutiny at the following meeting;
- iii) Review the agenda pack online, and indicate to the Chairman which should be included in the agenda pack for Local Pension Board meetings.

The Board should note that choosing the first option would result in part or all of its meetings needing to be held in private.

The Board will also need to decide whether there are other reports it should request from the Scheme's Officers.

4. Staggered tenures. As currently constituted, all Board members will retire at the same time after four years, and can only stand for two terms, i.e. a maximum of eight years. In the interest of continuity of knowledge and understanding, it would be preferable to stagger tenures, with 50% of the board retiring after, for example three years. Any recommendation to stagger tenures of office would require an amendment to the Board's Terms of Reference and approval by the Full Council.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There are no significant risk management implications.

List of Background Papers

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A

Lancashire Local Pension Board
Meeting to be held on 8 July 2015

Electoral Division affected: None

Objectives and Priorities

Contact for further information:
William Bourne, 07876 350650, william@linchpin.uk.com

Executive Summary

This report sets out the objectives and priorities of the Board together with a draft business programme for 2015/16.

Recommendation

The Board is recommended to note the information set out in the report and to comment as appropriate.

Background and Advice

Objectives

The Local Pension Board's formal remit as set out in the terms of reference are:

To assist Lancashire County Council as Administering Authority in its role as Scheme Manager; –

- to secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS
- to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator in such other matters as the LGPS regulations may specify

To secure the effective and efficient governance and administration of the LGPS for the Lancashire County Pension Fund;

To provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest;

The Pension Board will also help ensure that the Lancashire County Pension 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;

The Board will need to consider what, in practical terms, it can be expected to achieve, given that it will only see papers after they have been considered by the Pension Committee, and will in many cases be unable to influence decisions already made;

The Board may consider that it is able to perform the following functions in the course of its regular meetings:

- i) Review reports already made to the Pension Committee, and highlight any concerns it may have through either formal or informal channels.
- ii) Undertake reviews of particular areas of the Pension Fund's operations, with the intention of making recommendations for improvements through formal or informal channels.
- iii) Review the regulatory statements and other reports which the Pension Fund puts out prior to publication, and make suggestions for improvements.
- iv) Monitor and review the Pension Fund's compliance with the relevant regulations, if necessary requesting reports on specific topics or areas, and reporting back through formal or informal channels to the Pension Committee.
- v) Act as a route whereby other stakeholders are able to raise any concerns they may have about the operations of the Pension Fund, and if appropriate take them up with the Pension Committee.
- vi) In extremis to agree to report a serious breach of the regulations which has not been rectified to the Scheme Advisory Board.

Draft Business programme 2015/16

The table below sets out a draft business plan for the next 12 months. It includes the regular activities the Board can be expected to undertake, and at the bottom sets out some slots for the Board to look at particular areas if it so desires. Note that it does not include the training and knowledge requirements except in so far as there is a need to set a plan.

<u>Planned Business</u>	<u>08/07/2015</u>	<u>19/10/2015</u>	<u>18/01/2016</u>	<u>11/04/2016</u>	<u>7/2016</u> <u>tbc</u>
Agree arrangements and objectives for coming year	X				
Review performance against Plan				X	
Report to Employer Annual Meeting					X
Report to Scheme Advisory Board					X
Report to Pension Panel				X	
<u>Compliance checks</u>					
Conflicts of interest	x	x	x	x	X
Review Pension Committee reports	x	x	x	x	X
Annual Report and Accounts		x			
Review of Policy statements		x			
Review of Governance	x		x		
<u>Administration Reports</u>					
Notifiable events	x	x	x		
Data quality and integrity			x		
Contribution monitoring		x			
Membership reconciliation			x		
Caseload performance	x	x	x		
<u>Communications</u>					
Newsletters				x	
Annual statements		x			
<u>Training</u>					
Review training plan	x				
<u>Area reviews</u>					
1		x			
2			x		
3				x	
4				x	

It is recognised that the plan will evolve over the coming months, and it is intended to be flexible in the light of changing events. The Board is asked to consider the plan and suggest candidates for particular areas to review to be slotted into the spaces under Area Review. A list of possible candidates which have been suggested by various parties is given below, of which some may well come up in the course of

reviews of the regular Pension Committee reports. It is not intended to be exhaustive, nor is it necessarily the case that the Board will have time to examine all.

Issue	Area	Description
Compliance with TPR Administration systems	All Admin	Scheme subject to TPR code 14 since 4/15 Review, given new contracts
Administrative policies	Admin	Review how employers make contributions and provide data
Discretions and Abatements	Admin	Review policy to ensure fair to all stakeholders
ill health policies	Admin	Review policy to ensure fair to all stakeholders
Employers admissions and exits	Admin	Review policies to ensure fair to all stakeholders
Governance review	Governance	Review
Costs	Investments	Pension Committee criticisms
Communications	Comms	Review channels and material used

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There are no significant risk management implications.

List of Background Papers

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A

Lancashire Local Pension Board

Meeting to be held on 8 July 2015

Electoral Division affected: None

Knowledge and Understanding Requirements for Members of Local Pension Boards

Contact for further information:

Frances Deakin, (01772) 533112, frances.deakin@lancashire.gov.uk

Executive Summary

This report sets out the legislative requirement on Members of Local Pension Boards to develop a level of knowledge and understanding of pension matters sufficient to enable them to provide effective, constructive and informed support to the Administering Authority and includes a number of suggestions to support that requirement.

Recommendation

The Board is recommended to:

- (i) Note the responsibility on Board Members with regards to developing a level of knowledge and understanding of pension matters sufficient to enable them to provide effective, constructive and informed support to the Administering Authority, as set out in the report;
- (ii) Identify, having regard to the suggestions set out on page 3 of the report, some key priorities for a training plan.

Background and Advice

As set out at the Board's training session delivered by Hymans Robertson on 15 June 2015, there is a legislative requirement on Members of Local Pension Boards to develop a level of knowledge and understanding of pension matters sufficient to enable them to provide effective, constructive and informed support to the Administering Authority.

The responsibility is a personal one and will involve Board members undertaking training and study to gain (and maintain) a command over relevant information and develop an appropriate depth of knowledge.

The legislative requirements on Board Members fall from section 5 of the Public Service Pensions Act 2013 which added a new section 248a into the Pension Act 2004 as follows:

Pension Act 2004

s248A: Requirement for knowledge and understanding: pension boards of public service pension schemes

(1) This section applies to every individual who is a member of the pension board of a public service pension scheme.

(2) An individual to whom this section applies must be conversant with—

(a) the rules of the scheme, and

(b) any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

(3) An individual to whom this section applies must have knowledge and understanding of—

(a) the law relating to pensions, and

(b) such other matters as may be prescribed.

(4) The degree of knowledge and understanding required by subsection (3) is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the pension board.”

Whilst stressing that it is the responsibility of individual Pension Board members to ensure they have the appropriate degree of knowledge and understanding the Pensions Regulator (tPR) Code of Practice No.14 – Governance (issued in January 2015) encourages scheme managers

- to establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support their pension board members
- To designate a person to take responsibility for ensuring that a framework is developed and implemented

Lancashire County Pension Fund has designated its Financial Policy Officer as the person with responsibility for supporting members to develop their Knowledge and Understanding. Fulfilling this responsibility involves working with the Board to:

- identify individual and communal learning needs
- establish the preferred / most effective methods of study and training
- agree subject matter priorities (which reflect the Board's Plan of Work)
- implement a non-bureaucratic approach for establishing and recording learning objectives and documenting progress towards achieving them which

enables the Board to monitor its own compliance with the requirement for Knowledge and Understanding

Achieving the above begins with an initial conversation with the Board.

It will be important to establish an agreement on overall approach and to ensure Board members are involved in shaping the design of a training plan and framework.

In preparation for the Board's first meeting on 8 July, Board members are asked to:

- (i) access the Virtual Reading Room and the Pension Regulators website as an aid to them
- (ii) reflecting on their learning requirements and priorities
- (iii) being ready to articulate their immediate concerns/questions/issues
- (iv) identifying some key priorities for a training plan

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There are no significant risk management implications.

List of Background Papers

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A

Lancashire Local Pension Board
Meeting to be held on 8 July 2015

Electoral Division affected: None

Establishment of Budget

Contact for further information:
William Bourne, 07876 350650, william@linchpin.uk.com

Executive Summary

A proposal for the establishment of a budget for the Lancashire Local Pension Board.

Recommendation

The Board is recommended to note the proposal that the sum of £30,000 be made available from the funds sets aside by the Pension Fund Committee for the establishment of a budget for the Lancashire Local Pension Board.

Background and Advice

The Lancashire County Pension Fund (LCPF) Local Pension Board ("The LPB") is primarily an oversight and scrutiny board, whose formal remit is:

- i) To oversee compliance with the relevant regulations and codes of practice;
- ii) To help the Scheme Manager manage the Scheme efficiently and effectively.

As a newly set up entity, it currently has no specific budget. This report argues that a small budget or contingency budget should be created for The LPB out of the overall LCPF budget. There are two main rationales. The first is that when it comes to reporting the activities of The LPB and whether it has added value, it will be useful to have an idea of the cost as well as the value. This is simply a matter of ensuring that the costs, which will primarily be travel expenses and possibly some training costs, are recorded separately.

The second rationale is that on rare occasions The LPB may choose to use external expertise, and it will be important that it is able to do so without having to apply to the LCPF for funds to finance this in order to avoid a conflict of interest.

To do its oversight job properly, The LPB will require information, and it is the intention that in all normal circumstances it will use either standard reports which are available to the LCPF Pension Fund Committee, or if required use Officers' services

to create reports with the information needed. In both these cases there would be no need for a separate budget, though it should be noted that Officers' time does incur a cost.

There are certain circumstances where The LPB may wish to obtain outside expertise in order to be able to review the Scheme Manager's activities. These might include legal advice or specialised advice in areas where either LCPF employees are not qualified to advise, or where there might be a conflict of interest for them to do so. For example, if The LPB were reviewing the performance of the custodian, it might choose to use an external auditor to advise on the custodian's activities and the results thereof. If such a review were to directly conflict with the interest of one or more of the Officers working for the LCPF or Members of the Pension Committee, it would be important that The LPB could do so without having to apply to the LCPF for funds to finance the outside expert.

These circumstances are not likely to happen often, and it may be that the costs can be contained in a contingency budget, but the first rationale argues for a small budget specific to The LPB. A figure of £30,000 is suggested.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Financial

In considering the forecast expenditure and income of the Fund for 2015/16 the Pension Fund Committee identified a sum of up to £50,000 for the running costs of the new Pension Board. The sum suggested in this report is therefore within the overall resource allocated for this purpose.

Risk management

There are no significant risk management implications.

List of Background Papers

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A

Lancashire Local Pension Board
Meeting to be held on 8 July 2015

Electoral Division affected: None

Lancashire County Pension Fund Pension Administration Quality of Service Report April 2015
(Appendix 'A' refers)

Contact for further information:
Diane Lister, (01772) 534827, diane.lister@lancashire.gov.uk

Executive Summary

This report sets out the Lancashire County Pension Fund's Pension Administration Quality of Service report as at April 2015.

Recommendation

The Board is recommended to note the information set out in the report and to comment as appropriate.

Background and Advice

Lancashire County Pension Fund has a service level agreement setting out the standards of service required of the Pension Administration function. These 22 indicators are measured on a monthly basis and reported to management in the format attached at Appendix 'A'. They also form the core indicators in the annual administration report which was considered by the Pension Fund Committee at its last meeting.

The remit of the Local Pension Board has a clear focus on the effectiveness of the administration service and the Board may wish to consider whether it would find additional information useful and also whether both the indicators and targets within the Service Level Agreement (SLA), which was devised some considerable time ago remain appropriate, and advise the Pension Fund Committee accordingly.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There are no significant risk management implications.

List of Background Papers

Paper	Date	Contact/Tel
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N/A		
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Reason for inclusion in Part II, if appropriate		
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N/A		
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Appendix 'A' - Lancashire County Pension Fund Quality of Service Report April 2015

No.	Detailed Definition of Service Level	Target	Monthly Performance	Performance Year to Date
1	Amend personal records within ten working days of receipt of required documentation.	90%	100%	100%
2	Providing an annual statement of benefit entitlement to all active and deferred members, including an assessment of HMRC limits.	100%	100%	100%
3	Calculation of additional membership for transfer values within 10 working days of receipt of transfer details.	90%	100%	100%
4	Action agreed transfer values within 10 days of receipt of acceptance.	90%	100%	100%
5	Provide information on request in respect of Pension Sharing on Divorce within legislative timescales.	100%	100%	100%
6	Implement Pension Sharing Orders within legislative timescales.	100%	0%	100%
7	Provide a statement of deferred benefit entitlement on leaving service within 15 working days of date of leaving or receipt of notification, whichever is later.	90%	95%	95%
8	Respond to requests for estimates of benefits in relation to retirement, leaving service or on death within 10 working days following receipt of request.	90%	93%	93%
9	Calculating and paying refunds of pension contributions, including deducting statutory deductions in accordance with HMRC and DWP regulations within 15 working days of receipt of notification.	90%	91%	91%
10	Respond to general correspondence within ten working days of receipt.	90%	96%	96%
11	Calls to the Pensions' Helpdesk answered.	90%	N/A	N/A

12	Calculation and payment of retirement benefits, deferred benefits and death in service lump sums in accordance with LGPS rules, members' options and statutory limits. The service includes the recalculation and payment of benefits as a result of amended data received by Lancashire Pensions Services. Within 10 working days of receipt of notification or date of entitlement to benefit; whichever is later.	90%	100%	100%
13	Advise transfer value out within 15 working days of receipt of necessary documentation.	90%	90%	90%
14	Action agreed transfer values out within 15 working days of receipt of acceptance.	90%	75%	75%
15	Make payment of pensions on due date.	100%	100%	100%
16	Production and distribution of annual P60s to pensioners within statutory deadlines.	100%	100%	100%
17	Implementation of annual pension increases by payment due date.	100%	100%	100%
18	Implementation of change in pensioner circumstance including the calculation and quoting of benefits on death of pensioners and administering the recovery of overpayments by payment due date.	90%	99%	99%
19	Undertake annual reviews to establish continuing entitlements to pension for children in accordance with the relevant Scheme regulations.	100%	100%	100%
20	To provide advice of benefits payable under the LCC redundancy scheme within 10 days of receipt of a request.	100%	100%	100%
21	To pay benefits under the LCC redundancy scheme within 10 days of the final day of employment	100%	96%	96%
22	To complete investigations of appeals under stage 2 of the Internal Dispute Resolution Procedure within the statutory timescales in 100% of cases.	100%	100%	100%

Agenda Item 13

(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

(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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