

Lancashire Local Pension Board

Meeting to be held on Tuesday, 17 October 2023

Electoral Division affected:
N/A;

Lancashire Local Pension Board Workplan 2023/24 progress report

(Appendix 'A' refers)

Contact for further information:

Junaid Laly, Special Projects Pensions Lead, 01772 532767,

Junaid.Laly2@lancashire.gov.uk

Brief Summary

An update on the progress of activities undertaken by the Lancashire Local Pension Board so far in 2023/24.

Recommendation

Members of the Pension Board are asked to comment on the workplan at Appendix 'A' and the updates provided in this report.

Detail

Under its Terms of Reference, the Local Pension Board is required to produce a workplan each year. The workplan sets out agenda items and the order in which they will be considered by the Board during the year. This supports the Board in ensuring that all the activities are covered, and the workflow is aligned with activity of the Pension Fund Committee.

As it is now part way through the year, this report provides an update on progress to date on the workplan.

A breakdown of actions taken by the Board is outlined below.

Governance

Risk Register

It is intended that the Risk Register will continue to be presented at each meeting of the Board with the full register presented biannually (April and October each year) and specific key risks for discussion each quarter. The Risk Register is a live



document and is regularly reviewed in collaboration with the Fund Officers, Independent Investment Advisers, Local Pensions Partnership Administration (LPPA) and Local Pensions Partnership Investments (LPPI). This allows the Board to be kept up to date on key risks and monitor transitional risks.

During the year so far, specific risks have been considered in detail including Pension Systems Implementation, Russia/Ukraine, Investment Strategy, Benefit Payments, and Data Quality. The Risk Register is presented elsewhere on the agenda for this meeting.

Code of Practice Compliance

This year a decision was taken with the Board that the annual Code of Practice Compliance Statement would be deferred due to the expected transition to the General Code of Practice. There have been significant delays to the implementation to the General Code of Practice and it is now expected to be laid before parliament in autumn 2023. Due to this the Fund officers have undertaken detailed preliminary work to assess the Fund's compliance against the draft General Code and this is presented as a report elsewhere on the agenda.

Annual Review of the Effectiveness of the LLPB

The annual review of the Lancashire Local Pension Board was undertaken by the Chair in January 2023 through conversations with individual Board members, the Chair of the Pension Fund Committee and Officers. The Chair presented a report on the findings of the review together with his recommendations to the Board in April 2023. Arrangements for future reviews will be discussed with the new Chair and circulated to Board members in due course.

Communications Update

An update on the communications activity of Local Pensions Partnership Administration Ltd (LPPA) and the Fund is presented at each meeting of the Local Pension Board.

Development of a communications strategy is included in the Funds strategic plan. However, due to resource challenges on the Fund team this work has not yet started. Further updates on this will be provided once progress commences.

Annual Report on the update of the Pensions Regulator Survey

The results of the Pension Regulator's Public Service Governance and Administration survey have not yet been published. Fund Officers have been advised that the results will be made available in the next 2 months and a report will be provided to the Board once the results are made public.

Cyber Security Update

As part of the General Code of Practice the Fund Officers identified Cyber Security as a priority module for the Fund to progress activity to become compliant. An update report on progress is provided elsewhere on the agenda.



Breaches Update

In January 2023 the Breaches Policy was reviewed by the Local Pension Board and subsequently approved by the Pension Fund Committee at its March meeting. Following this approval, the content of breaches reporting to the Board was updated and now provides more detail.

A report is provided to the Board each quarter and includes data on contribution breaches, data breaches, administration (code of practice) breaches and complaints.

Administration Performance

An update on administration performance is provided to the Board each quarter as part of the Pension Fund Committee updates and there is also an Annual Report on Administration Performance.

There is regular attendance from the Managing Director at LPPA and the Director of Finance, People and Culture. This has allowed the Board to provide feedback and ask questions on administration performance.

The Board has been involved in reviewing the Pension Systems Implementation Risk which relates to LPPA implementing a new administration system (Universal Pensions Management) and LCC implementing a new Payroll and Finance system (Oracle Fusion).

Lancashire County Pension Fund Policies

The Fund's Governance Compliance Statement has been reviewed and is shared with the Local Pension Board as part of the Pension Fund Annual Report which is included in the Part I reports for Pension Fund Committee.

The Fund provides an annual training plan which relates to members of the Pension Fund Committee and the Local Pension Board. The Fund Team will be reviewing the training strategy over the next few months and will share it with the Board for comment in due course.

The LCPF discretions will be reviewed over the coming months and will be presented to the Board early in the new year for comment. These are policies that apply across the entire Fund membership regardless of individual employers covering issues such as bulk transfers.

The review of the activity surrounding the update of Employer discretions will be undertaken over the coming months. These are matters - such as flexible retirement approach- that an individual employer will develop its own policy on. This review will require collaboration between the Fund officers and LPPA. The activity will clarify the roles and responsibilities between the Fund officers and LPPA to support employers in their responsibility in reviewing, making, and publishing their discretions. There have been challenges to progress this for the Fund, LPPA and employers due to the resource being allocated to support the transition to UPM and Fusion.



The review of the Pensions Administration Strategy will be moved to the next financial year as LPPA are analysing the capabilities of the UPM system to explore reporting on employer performance. This will feed into the review of the Pension Administration Strategy.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The Pension Board is required under legislation to secure compliance and ensure the effective, efficient governance and administration of the Fund. The workplan ensures that its activities within this remit are undertaken at appropriate points in time during the year.

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

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A

