



Minutes of a meeting of the Local Pension Board held at County Hall, Glenfield on Monday, 17 June 2019.

PRESENT

Ms. C. Fairchild  
Ms. D. Haller  
Mr. D. Jennings CC

Mrs. R. Page CC  
Cllr. E. Pantling  
Ms. D. Stobbs

1. Election of Chairman.

RESOLVED:

That Mr. D. Jennings CC be appointed Chairman of the Local Pension Board.

Mr. D. Jennings in the Chair

2. Election of Vice Chairman.

RESOLVED:

That Mrs. R. Page CC be appointed Vice Chairman of the Local Pension Board.

3. Minutes.

The minutes of the meeting held on 4 March 2019 were taken as read, confirmed and signed.

Members noted that a letter had been sent to Cllr. D. Alfonso on behalf of Board members, thanking her for her contribution to the work of the Board during her time as the Leicester City Council employer representative.

It was noted that the review of the Terms of Reference (ToR) was still ongoing. It was intended that the Board would be asked to approve a revised ToR document at its next meeting in September.

4. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

5. Questions asked by members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

6. Urgent Items.

There were no items for consideration.

7. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

No declarations were made.

8. Internal Audit Arrangements (Including Internal Audit Work Conducted During 2018-19 and the Internal Audit Plan 2019-20).

The Board considered a report of the Director of Corporate Resources, which detailed the internal audit arrangements for the Leicestershire Pension Fund. A copy of the report marked '8' is filed with these minutes.

The Board welcomed the outcome of the 2018-19 audit report which had resulted in a positive assurance grading with no high importance recommendations.

In response to questions from members regarding audit days assigned to client management, the Director confirmed that the five additional days undertaken related to days spent researching and meeting with other LGPS Partners internal audit services to discuss progress with LGPS Central Ltd and the compilation of a Pensions Assurance Framework concerning key areas for the company.

RESOLVED:

That the report be noted.

9. Local Government Pension Scheme Complaints Procedure

The Board considered a report of the Director of Corporate Resources and Director and Law and Governance, the purpose of which was to update the Board on the Internal Dispute Regulation Procedure (IDRP) complaints received since January 2018 and seek agreement to proposed changes to which officers were authorised to deal with complaints. A copy of the report marked '9' is filed with these minutes.

The Director of Corporate Resources reported that Scheme members were able to complain under the IDRP Stage 1 and Stage 2 procedure to either the member's scheme employer or their previous employing authority. Whilst the report detailed cases referred directly to the fund during 2018, it was possible there were other cases the Fund was unaware of which were managed by the complainants previous employer.

It was noted that the IDRP procedure reviewed whether a correct decision had been made by either the employer or the administering authority, highlighting any areas of potential maladministration. It did not have the authority to change a decision but could award the complainant with compensation up to £750 where appropriate.

The proposed changes to the delegation would enable the Director of Law and Governance to delegate stage 1 and 2 complaints to internal and external solicitors (usually Derbyshire County Council), or the Pensions Manager.

RESOLVED:

- a) That the Board note the Internal Dispute Resolution Procedure complaints the scheme had received since January 2018.
- b) That the Director of Law and Governance (or in their absence, the Head of Law) is authorised, in appropriate circumstances, to delegate the adjudication of Stage 1 complaints or matters referred at Stage 2 to a suitably qualified experienced internal or external decision maker as set out in paragraphs 10 to 12 in the report.

10. Pension Fund Administration Report - January to March 2019 Quarter

The Board received a report from the Director of Corporate Resources on relevant issues in the administration of Fund benefits, including the performance of the Pensions Section against its Performance Indicators. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

Arising from the discussion the following points were made:

- i) The remaining cases as of March 2019 for preserved benefits, aggregations and retirements were all higher than the Key Performance Indicator target. Efforts to reduce these figures were ongoing, however it was recognised that the current priority for the Pension Section was to process preserved benefits which needed to feed through to the Fund's actuarial valuation. The Director confirmed that the Section was working at full capacity to try and manage the high level of work;
- ii) Whilst outstanding GMP reconciliation cases were relatively high, the Fund had effectively completed Phase 1 and its performance compared favourably with many other funds;
- iii) 30,000 pensioners were now being paid each month through the new pensioner payroll system Altair. The Altair Member Self-Service system had gone live in January and as of the end of May 17,500 members had signed up;
- iv) The Pensions Section had met with Legal Services to discuss the Internal Dispute Resolution Procedure appeal in a neighbouring Fund concerning a member who had a terminal illness, which had been upheld by the Pensions Ombudsman. The Fund had since written to all employers to ask that they review the process to which they deal with such cases to reduce any risk to the fund.
- v) Since the Board's last meeting, Members were pleased to note that all but one of the larger employers, who were required to provide their Fund discretions, had done so. It was expected that the one outstanding discretion was near completion.
- vi) Since the Board's last meeting, progress had been made on the outstanding Transfer of Undertakings Protection of Employment (TUPE) cases. There however remained a disagreement with Avanti Schools and Govindas, concerning the bond value, and it was suggested that the scheme members affected be written to in order for them to be aware of the situation. TUPE cases were carefully monitored by the Pensions Manager due to the significant risk to the Fund should an outsourcing employer be declared bankrupt without a bond having been signed.

- vii) From the next quarter another four areas; Leicester City Council, Academies paid through East Midlands Shared Services, De Montfort University and the Police and Crime Commissioners office would be paid through monthly postings.
- viii) Government were currently consulting on a change which would see the Fund's evaluation move to a four year cycle to align with other government calculations. More information was awaited as to how it would function, whether there would be a bridging year and how it could affect smaller less stable employers. The change to the valuation cycle would not affect the reporting on investment manager performance on the six monthly valuation updates which would continue to be considered by the Local Pension Committee;.
- ix) Whilst the Fund could not be fully protected against the potential financial implications of Brexit, it had mitigated some of the risk by employing an active currency hedge.

Members thanked the Pensions Section for its hard work, noting the significant work pressures it currently faced.

RESOLVED:

- a) That the Board notes the report.
- b) That the Pensions Manager writes to the nine members of Avanti affected to inform them of the lack of bond agreement.

11. Pension Fund Governance and Administration

The Director of Corporate Resources provided the Board with report on the governance and administration of the Local Government Pension Scheme. A copy of the report, marked 'Agenda Item 11' is filed with these minutes.

The Board noted that in order for the Board to fully meet the LGPS Regulations Scorecard requirements in relation to its training plan, the names of individual board members would be added to the current programme.

Board members also supported the utilisation of the training available via the Pensions Regulator website which contained various resources and online learning to better support their knowledge and understanding.

RESOLVED:

That the names of individual board members be added to the training plan in order for it to be fully compliant with Local Government Pension Scheme requirements.

12. Year-End and Statutory Deadlines.

The Director of Corporate Resources provided the Board with an update on progress made on the 2018/19 year-end process for the production of the annual benefit statements required by the deadline of the 31 August 2019. A copy of the report, marked 'Agenda Item 12' is filed with these minutes.

RESOLVED:

That the Board note the report.

Times Not Specified  
17 June 2019

CHAIRMAN