



Minutes of a meeting of the Local Pension Board held at County Hall, Glenfield on Wednesday, 26 October 2022.

PRESENT

Mrs. R. Page CC (in the Chair)

Ms. C. Fairchild
Mr. M. Saroya
Mr. R. Shepherd CC

39. Minutes

The minutes of the meeting held on 17 August 2022 were taken as read, confirmed and signed.

40. Question Time.

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

41. Urgent items.

There were no urgent items for consideration.

42. Declarations of interest in respect of items on the agenda.

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.

It was noted that Councillor Deepak Bajaj was no longer a Member of the Board, and a replacement was awaited from Leicester City Council.

43. Pension Fund Administration Report July to September 2022 - Quarter Two.

The Board received a report from the Director of Corporate Resources on governance areas including the administration of Fund benefits, the performance of the Pensions Section against its Performance Indicators (PIs). A copy of the report marked 'Agenda Item 5' is filed with these minutes.

The Board noted it had been a challenging quarter, in particular for the PIs outlined at Appendix A to the report, namely death benefits and notifications meeting 78% of a 90%

target, and retirement benefit notifications meeting 88% of a 92% target. However, PI targets for customer feedback remained strong.

It was reported that resources were now in place in order to help the Pensions Team meet its targets. Additional resource had been allocated to resolve outstanding retirement benefits work, having recently completed pension and taxations statements.

The Board noted that general workloads remained level in all areas. It was noted that September-end saw just over 1,600 aggregations pending, and a training exercise was planned to help reduce these numbers. It was also noted that the Pensions Helpdesk was working well and allowed colleagues in other areas to concentrate on targeted work without interruptions.

Monitoring of the volume and type of calls had been undertaken, with the Helpdesk opening hours being adjusted accordingly to 9.00am to 2.00pm, with no negative feedback from customers having been received. Also, FAQs pages on the website were being developed to which members would be redirected to find out information. A suggestion by a member to have a voice message directing callers to the website would be taken away for consideration.

Board Members were informed of two new Internal Dispute Resolution Procedure (IDRP) Stage 2 appeals, for which the independent person had not upheld the complaints for both. It was a possibility that both cases would be taken to the Pensions Ombudsman by the complainants. It was noted that an earlier case had been resolved, allowing the member to claim benefits in full.

Board Members were further informed of workload pressures through the production of annual benefits statements for over 35,000 active members. However, all work had been completed within statutory deadlines with only seven members not receiving statements.

It was noted that many thousands of lines of data were being input on McCloud, and whilst the service had managed to digitise a lot of comparisons via computers, there would still be many cases requiring manual intervention. To assist with data input, two new pension assistants had been recruited, initially for six months following which the position would be reviewed.

Board Members' attention was drawn to the outstanding admission agreements outlined in the report, with the three most high-risk cases. It was noted that the outstanding issue with Ingeus was close to resolution with a joint tender with the City and County councils, and the outstanding issue with Cucina had been completed.

In reference to the online training tool for members, the Board asked the Director of Corporate Resources to extend their thanks to Hymans Robertson who had taken on board feedback from members on the online training tool. Hymans were working on a revised frontline solution and Members' comments had formed part of the revised package.

RESOLVED:

That a link be included to the Local Pension Board agendas and minutes be included on the Pension Fund's website in order to provide scheme members with an insight on the work undertaken by the Board.

44. Pension Fund Valuation - Funding Strategy Statement and Indicative Whole Fund Results.

The Board received a report from the Director of Corporate Resources on key policy changes in the Leicestershire Local Government Pension Scheme (LGPS) draft Funding Strategy Statement (FSS), the indicative whole fund valuation results, and the proposed change to the CPI assumption. A copy of the report marked 'Agenda Item 6' is filed with these minutes.

Board Members were informed that the valuation took place every three years as a statutory obligation, the purpose of which was to set employer contribution rates for a three-year period. The FSS has been taken to Hymans Robertson. It was reported there had been no major changes to the document, but where there were changes these were highlighted at Point 8 in the report:

With regard to Appendix A, Point 2.3, which set out proposals on how to deal with contribution rates, it was noted that there were now employers in surplus. The FSS also made more explicit the prepayment of contributions, early retirement on ill-health grounds, the Fund's risk register as part of the FSS, and climate risk.

The Board was informed that there were several assumptions used in the calculation of Fund Valuation. One key area under consideration was that the CPI inflation rate had been rising and the markets were unstable. Set at 2.7% CPI the rate was being kept under close review, as it was believed the rate could be revised based on the current financial situation for the Country but would need to be a fair and balanced change before consideration was given to paying any money back to employers. Indicative rates were being worked upon and it was expected that employers would be consulted with from November 2022 with queries considered and a report to the Board late February / March 2023, ready for implementation in April 2023.

RESOLVED:

That the report be noted.

45. Pension Fund's Strategies and Policies

The Board received a report from the Director of Corporate Resources on the annual update of the Pension Fund's current strategies and policies, which covered any new policies that had been introduced or amendments that had been made. A copy of the report marked 'Agenda Item 7' is filed with these minutes.

It was noted that the update was provided as it was the responsibility of the Board to assist the Administering Authority as Scheme Manager to ensure the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS).

The Board noted the current policies as outlined in the document, and the introduction of the Net Zero Climate Strategy (NZCS). Members noted the consultation timeline through the process of the Strategy, for which the outcome of engagement and draft NZCS would be presented to the Local Pension Committee on 18 November 2022. Following a formal period of consultation, the final NZCS would be presented to the Committee in March 2023.

It was further noted that the updated FSS, as considered by Local Pension Board at agenda item 6, would be presented to the Local Pension Committee on 18 November 2022.

Board Members attention was drawn to the new draft Cyber Policy. The draft policy had been developed by Fund officers and the County Council's Technical Security Officer, to ensure that the Fund could demonstrate that robust governance arrangements were place and to provide assurance that risks were well managed. The document covered two sections: cyber issues relating to systems and cyber issues relating to staff, adopting other County Council policies where required.

RESOLVED:

That the report be noted.

46. Pensions Dashboard Programme

The Board received a report from the Director of Corporate Resources, which provided details of the Pensions Dashboards Programme (PDP) and a position update with regards to the Fund. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Board were informed the national PDP was intended to provide a single, secure port of call for individuals to access their pension history in one place, which would eventually include their State Pension. The PDP was made up of a framework of systems, and it was intended there would be multiple dashboards available to users, including one developed by the Money and Pensions Service. Members noted there would be checks and balances in place to provide assurance that GDPR and legislation would be adhered to, and National Cyber Security Centre criteria applied.

Pensions schemes would be placed, or 'onboarded' in three stages. Larger schemes, such as the County Council's, would be uploaded between April 2023 and September 2023, with medium and small schemes placed from October 2024 to 2026.

Board members were informed that information would be as accurate as possible, and where there was doubt about an identity, a partial match would be returned. Employers would also be contacted to emphasise the importance of providing timely information to meet legislation requirements, with data of new scheme members being available within three months of joining the fund.

Members assumed that there would be an increase in calls to the helpline and asked if the dashboard added value to the pensions process. Officers responded that raising awareness and getting people to think about their pensions earlier was good and would eventually become the norm moving forward with the benefit of people being able to delve into their own information to calculate pensions, thus releasing calls to the pension helpline.

RESOLVED:

That the report be noted.

47. Risk Management and Internal Controls.

The Board received a report from the Director of Corporate Resources, which informed the Board of any changes relating to the risk management and internal controls of the Pension

Fund, as stipulated in the Pension Regulator's Code of Practice. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

Board Members were informed there were no changes to any of the risk scores on the register reported to the last meeting of the Board, though there were some updates to existing risks, the details of which were outlined at Point 5 in the report.

Board Members were informed that a report on the AVC provider would be brought to a meeting of the Board in early 2023.

RESOLVED:

That the report be noted.

48. Dates of Future Meetings.

RESOLVED:

That future meetings of the Board are scheduled to take place on:

Wednesday 8 Feb 2023 10am
Wednesday 26 April 2023 10am
Wednesday 2 August 2023 10am
Wednesday 18 October 2023 10am

10.00 – 11.18am
26 October 2022

CHAIRMAN