



Minutes of a meeting of the Local Pension Board held at County Hall, Glenfield on Thursday, 8 December 2016.

PRESENT

Mr. D. Jennings CC (in the Chair)

Cllr. D. Alfonso  
Ms. D. Haller  
Mr. A. M. Kershaw CC

Ms. A. Severn- Morrell  
Mrs. D. Stobbs

73. Minutes of the previous meeting.

The minutes of the meeting held on 3 October 2016 were taken as read, confirmed and signed.

74. Question Time.

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

75. Questions asked by members.

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

76. Urgent items

There were no items for consideration.

77. 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.

78. Additional Voluntary Contributions.

The Board considered a report of the Director of Corporate Resources which detailed the Additional Voluntary Contributions (AVC) provision which the Leicestershire Pension Fund offered to its members. To accompany the report, the Board received a presentation by a representative of Prudential, which provided AVCs on behalf of the Fund. A copy of the report and presentation is filed with these minutes marked '6'.

Arising from discussion the following points were noted;

- 1192 active members of the Leicestershire Pension Fund also had AVCs, which equated to 4.7% of the Fund's membership;

- Contributors to the AVC scheme had the choice to invest in a number of different investment funds managed by the Prudential, each one with their own performance/risk profile. Unlike the Local Government Pension Scheme, returns from AVC contributions were not guaranteed;
- The Leicestershire Pension Fund was responsible for the selection of investment funds in which members could choose to invest their AVCs in. The Local Pension Board had previously reviewed the selection in June 2016 and would continue to do so in future when necessary.

RESOLVED:

That the report and presentation be noted.

79. Pension Fund Administration Report - July to September 2016 Quarter.

The Board considered a report of the Director of Corporate Resources regarding the performance of the Pension Section against its performance indicators. A copy of the report, marked '7', is filed with these minutes.

The Director reported that the Department for Communities and Local Government (DCLG) was yet to publish revised pension administration regulations following consultation. He explained that the expected changes regarding at what age preserved members of an LGPS scheme could access their benefits was likely to have a significant impact on the workload of the Section.

RESOLVED:

That the report be noted.

80. Town and Parish Councils - Pension Scheme Options.

The Board considered a report of the Director of Corporate Resources regarding Town and Parish Councils within Leicestershire whose employees were/ had been members of the Leicestershire Pension Fund. A copy of the report, marked '8', is filed with these minutes.

The Director reported that Town and Parish Council's within Leicestershire were not automatically enrolled as member employers of the Pension Scheme and were therefore required to request membership status via a 'resolution'. Like every member employer of the fund, once part of the scheme, they were required to pay an employer rate and be subject to a termination valuation once the last active contributor left their employment.

RESOLVED:

That the report be noted.

81. Local Pension Board Members - Knowledge and Understanding (Training Update).

The Board considered a report of the Director of Corporate Resources concerning the training program which had been provided to members of the Board. A copy of the report, marked '9', is filed with these minutes.

It was noted that the current approach to training was working well and had enabled Board members to gain a good level understanding of the Pension Scheme's regulations and laws. Members would continue to have access to training concerning new pension regulations as and when they were introduced as well as refresher sessions to cover issues which had previously been addressed.

RESOLVED

That the report be noted.

82. Initial Indication of 2016 Actuarial Valuation Outcome and Results on Standardised Assumptions.

The Board considered a report of the Director of Corporate Resources, the purpose of which was to provide members with an early indication of the funding level of the Leicestershire County Council Pension Fund at 31 March 2016 and to advise on the outcome of the valuation calculated using the standard assumptions required by the Local Government Pension Scheme (LGPS) Advisory Board. A copy of the report marked '10' is filed with these minutes.

Arising from discussion the following points were noted;

- Despite the Fund's overall funding position improving since the last Actuarial Valuation in 2013, negative impacts such as lower assumptions for future investment returns and increased liabilities had resulted in the estimated cost of paying for future service as it accrued increasing substantially from 18.2% to 21.8% of pay;
- When calculating the Fund's future funding ratio, the Actuary had assumed a future investment return of 4.1% whilst the standardised assumption valuation conducted by the LGPS Advisory Board presumed a return of just over 5%. This more optimistic assumption led to the Scheme Advisory Board calculating Leicestershire's funding level to be at 92% which compared favourably with the Fund Actuary's calculation of 76%.

RESOLVED:

That the report be noted.

83. Future Meeting Dates.

RESOLVED:

That the following meeting dates for 2017 be approved:

Monday 13 March 9.30am

Monday 12 June 9.30am

Monday 18 September 9.30am

Monday 4 December 9.30am

This page is intentionally left blank