



Minutes of a meeting of the Local Pension Board held at County Hall, Glenfield on Monday, 17 September 2018.

PRESENT

Mr. D. Jennings CC (in the Chair)

Cllr. D. Alfonso
Ms. D. Haller

Mrs. R. Page CC
Ms. D. Roystonn

14. Minutes of the previous meeting.

The minutes of the meeting held on 28 June 2018 were taken as read, confirmed and signed.

15. Question Time.

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

16. Questions asked by members.

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

17. Urgent Items.

There were no items for consideration.

18. 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.

19. Pension Fund Administration Report - April to June 2018 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 '6', is filed with these minutes.

Members noted that due to the prioritisation of resources in order to meet the annual benefit statement deadline, there had been a fall in the Section's response rate to Death Benefit payments which had improved since the publication of the report.

Following the Pension Section notifying preserved members of the Local Government Pension Scheme (Amendment) Regulation 2018, which allowed preserved members aged between 55 and 60 access to early payment of their benefits, the Section had so far received over 600 inquiries which were being worked through.

RESOLVED

That the report be noted.

20. Administration and Communication Strategy Review.

The Board considered a report of the Director of Corporate Resources regarding the outcome of the consultation on the Pension Fund's Administration and Communication Strategy. A copy of the report, marked '7', is filed with these minutes.

It was noted that in March 2018 the Local Pension Board considered a revised Strategy that was subsequently subject to a four week consultation in which the Fund's employers feedback was considered and incorporated. Members were reassured that whilst there was only a minimal amount of formal response to the consultation, officers had been in contact with a significant number of the Funds employers who were content with the changes.

RESOLVED:

That the revised Administration and Communication Strategy be approved.

21. Record Keeping - Data Improvement Plan.

The Board considered a report of the Director of Corporate Resources which provided an update on the Pension Section's Data Improvement Plan. A copy of the report, marked '8', is filed with these minutes.

It was reported that all administering authorities of Local Government Pension Schemes were required to produce a data improvement plan which focused on how member data was managed.

RESOLVED:

That the Board note the report.

22. Year-End Statutory Deadlines.

The Board considered a report of the Director of Corporate Resources regarding the Year-End and Statutory Deadlines. A copy of the report, marked '9', is filed with these minutes.

The Board noted that as of 31st August 2018 there were only 69 outstanding cases spread over seven different employers, which was less than 0.2 percent of active members of the Fund. Each of the cases had been considered by the Pensions Manager and it was concluded none were a material breach.

RESOLVED:

That the Board note the report.

23. Pension Fund Breaches.

The Board received a report by the Director of Corporate Resources, the purpose of which was to update the Board of any Pension Fund Breaches. A copy of the report, marked '10', is filed with these minutes.

The Board noted that since 2016 there had been five breaches, all of which had been categorised as non-material. Of the five, one breach, ongoing since September 2017 remained as issue. The case involved the transfer of undertakings protection of employment (TUPE Transfer) from Tudor Grange Academy to Computer Systems in Education Limited (CSE) who were subsequently unable to secure the required bond, meaning the admission agreement and bond documents remained unsigned. This resulted the one member of staff effected not being classed as an 'active member' of the Fund. The breach remained unresolved despite the Pension Sections manager working closely with both parties.

The Director added that new pension regulations recently introduced did little to improve the situation and continued to allow TUPE to take place without all the legal documentation in place.

RESOLVED

- a) That letters expressing the Boards concern be sent to Computer Systems in Education Limited and Tudor Grange, in relation to the Admission Agreement and Bond.
- b) That the Chairman of the Local Pension Board be requested to write to the Pensions Regulator to inform them of the breach in relation to the above which the Fund now classed as a material breach of the Local Government Pension Scheme Regulations.

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

The Board received a report of the Director of Corporate Resources concerning the training provided to members of the Board. A copy of the report, marked '11', is filed with these minutes.

RESOLVED:

That the report be noted.

25. Risk Management and Internal Controls.

The Board considered a report of the Director of Corporate Resources which detailed the requirement for the Board to consider identified risks/concerns associated with the Leicestershire Pension Fund at each of its meetings, a stipulation set out within the Pension Regulator's Code of Practice. A copy of the report marked '12' is filed with these minutes.

It was noted that a new risk relating to the transition of assets to LGPS Central had been added to the register. In addition a change had also been made to the criteria in which the impact and likelihood of risks were assessed.

RESOLVED:

That the report be noted.

26. Bonds and Guarantors.

The Board considered a report of the Director of Corporate Resources concerning the current arrangements in place for the County Council as the administering authority in securing bonds and guarantors when Academy and Multi Academy Trusts (MAT) outsourced work to new employers under the transfer of undertakings regulations (TUPE). A copy of the report, marked '13', is filed with these minutes.

It was reported that the rise in TUPE arrangements between a number of the Fund's employer bodies and external employers had resulted in a rise in the questioning of the Council's requirement of a "full bond", which incorporated the market related risk and the capital cost due, to be secured in case the new employer became bankrupt or defaulted. The Authority had received conflicting advice from the DCLG and the Department of Education as to whether a full bond was required or whether the Academy or Multi Agency Trust could act as guarantor on behalf of the new employer, something which normally could only be undertaken following the Secretary of State's approval. It was noted that the Local Government Association was aware of the issue and was in the early stages of working with the government towards an agreed approach.

RESOLVED:

That officers be requested to undertake further work in order to establish whether Academies and MATS could act as guarantor without the need for Secretary of State approval and that the Board be updated once more was known.

27. Dates of Future Meetings.

Future meetings of Local Pension Board will be held at 9.30am on the following dates:-

3 December 2018

4 March 2019

17 June 2019

16 September 2019

2 December 2019

Times Not Specified
17 September 2018

CHAIRMAN