

CUMBRIA COUNTY COUNCIL

Minutes of a Meeting of the **Cumbria Pensions Forum** held on **Tuesday, 30 October 2018 at 9.30 am at Penrith Rugby Club, Penrith, Cumbria, CA11 8RG**

PRESENT:

Mr N Hughes
Mr MH Worth
Mr LN Fisher
Ms G Troughton

Employer Representatives:-

Ms A Parker	-	Allerdale Borough Council
Ms M Nash	-	Allerdale Borough Council
Ms A Taylor	-	Carlisle City Council
Ms G McClure	-	Carlisle City Council
Mr C Howey	-	Eden District Council
Councillor P Breen	-	Eden District Council
Ms E Dixon	-	Glenmore Trust
Ms J Collihole	-	Glenmore Trust
Ms K Lehm	-	Greenwich Leisure
Ms L Hollywood	-	James Rennie School (Academy)
Mr A Young	-	Keswick School (Academy)
Ms C Parker	-	Keswick Town Council
Ms L Walker	-	Keswick Town Council
Ms S King	-	Lake District National Park
Mr J Cox	-	West House
Ms M Bellis	-	Cumbria Police

Also in Attendance:-

Ms J Bozic	-	Finance Officer
Ms A Clark	-	Senior Manager - Pensions and Financial Services (Deputy S151 Officer – Pensions)
Mrs J Crellin	-	Director of Finance (Section 151 Officer)
Mrs J Dole	-	Finance Manager Pensions Administration
Mr P George	-	Group Finance Manager - Pensions, Investments and Insurance
Mr J Livesey	-	Manager, Mercer Limited, Councils Actuary
Mr MS Mosley	-	Technical Officer, Local Pensions Partnership. (LPP)
Ms L Taylor	-	Finance Manager - Pensions Investments and Governance

43 TERMS OF REFERENCE OF THE CUMBRIA PENSIONS FORUM

RESOLVED, that the Terms of Reference of the Cumbria Pensions Forum be noted.

Matters Arising

The Director of Finance (Section 151 Officer) advised that a review of the Terms of Reference was being undertaken and this would be circulated for comment once the review had been completed.

44 ELECTION OF CHAIR

RESOLVED, that Mr M Worth be elected Chair of the Cumbria Pensions Forum for the ensuing year.

45 MEMBERSHIP

RESOLVED, that the membership of the Cumbria Pensions Forum be noted.

46 APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr N Marriner, Dr S Haralsden, Mr J Airey, Mrs H Wall, Mr SB Collins and Mr P Thornton for which Mr N Hughes was substitute.

47 MINUTES

RESOLVED, that the minutes of the previous meeting held on 17 October 2017 be agreed as a correct record.

48 PENSION FUND OVERVIEW AND 2017-18 PERFORMANCE

The Group Finance Manager - Pensions Investments and Insurance presented performance and overview of the Local Government Pension Scheme (LGPS).

He advised that there were currently 57,000 scheme members over 127 employers. The value of the Fund was currently £2.6 billion and had been outperforming its investment benchmarks over the 3, 5 and 10 year periods.

The Group Finance Manager - Pensions Investments and Insurance explained how the scheme works and also explained how the fund's investment was managed, detailing the investment strategy and allocation in various diverse global investments. He also gave details of pooling arrangements within the Border to Coast Pension Partnership (BCPP).

He also confirmed that the Auditors of the Fund had reported that the internal controls of the fund were of a high standard with no significant weaknesses identified. Details of the policies of the Fund, the Annual report and Accounts 2017-18 and the Audit Findings report were available on the Council's Cumbria LGPS website.

The Group Finance Manager - Pensions Investments and Insurance reported challenges with the Your Pension Scheme (YPS) administration performance following a re-structure within the organisation. Regular meetings were being held with the YPS to continually review the situation.

The importance of data quality within the scheme was emphasised by the Group Finance Manager - Pensions Investments and Insurance as this was not only a requirement under General Data Protection Regulations (GDPR) but had a financial impact for employers within the scheme. He made a request to those employers present at the meeting to ensure that data within the scheme is correct and up to date.

The Chair thanked the Group Finance Manager - Pensions Investments and Insurance for his presentation and to his team for the good work they were doing.

49 LOCAL GOVERNMENT PENSION SCHEME (LGPS) TECHNICAL UPDATE

The Technical Officer, Local Pensions Partnership (LPP) gave a presentation on the new regulations under the Local Government Pension Scheme (Amendment) Regulations 2018 that had been before parliament.

In his presentation he detailed the new regulations in respect of:-

- a) Changes to contributions for authorised absences and how these are now calculated.
- b) Changes to early access to pension benefits for the different groups between 1 April 1998 and 31 March 2014 of pension members.
- c) The changes in the rules and regulations in respect of Additional Voluntary Contributions (AVCs)

The Technical Officer, Local Pensions Partnership recommended that employers consider the recent updates in their regular review of policies relating to LGPS pensions and provided an update on anticipated further amendments which may be introduced under the regulations.

The Chair thanked the Technical Officer, Local Pensions Partnership. (LPP) for his presentation.

50 2019 ACTUARIAL VALUATION

The Principal Actuary from Mercer Limited, (the Fund's Actuary), gave a presentation on the 2019 Actuarial Valuation and the purpose of such valuations being made.

The Principal Actuary detailed the regulations for such valuations and what the valuation outcomes were.

Also detailed were the assumptions that were made when conducting the valuations and how a strategy of prudence was followed which would lead to protecting members, current and future taxpayers, ensure equity between the different employers within the scheme and would protect the fund.

The Principal Actuary detailed the key funding strategy parameters and recapped the results from the March 2016 valuation. The key considerations to be made in the 2019 valuation were explained such as:-

- a) Continuation of strong real investment returns
- b) Reduction in future expected returns
- c) Life expectancy trends
- d) Public Sector pay cap
- e) Data quality

He also explained the possible contribution outcomes which were considered. A comparison was made to other unfunded public sector schemes and the possible considerations that their valuations have highlighted.

The Chair thanked the Manager, Mercer Limited for his presentation.

51 DATA QUALITY - THE ROLE OF THE FUND AND EMPLOYERS

The Finance Manager – Pensions Administration detailed the role of the Fund and the employers within the Fund in respect of the quality of data they held.

The Finance Manager – Pensions Administration explained how the Administration Strategy and Communication Policy fell under data quality and what the role of the Pensions Regulator had in overseeing these areas. Not providing timely and accurate data may be a breach that could be reportable to the Pensions Regulator.

There were a number of responsibilities for employers within Local Government Pension Scheme that the Pension Regulator oversaw. As detailed in the Code of Practice 14, members of the Pension Committee, Local Pension Board, Fund Officers and scheme employers all had a duty to report breaches of the law which

were considered sufficiently material to the Pensions Regulator. It was noted that whilst a wide range of parties had responsibility to report breaches, officers could give appropriate guidance and help assess if the breach was considered sufficiently material to warrant reporting to the Pensions Regulator.

The Finance Manager – Pensions Administration advised that the main Employer responsibilities were:-

- a) Processing of Data
- b) Payments to the fund
- c) Employer Discretions and decisions

In summary the Finance Manager – Pensions Administration advised that:-

- a) Data quality was the responsibility of employers
- b) Good quality data lowered employer contribution rates
- c) Not providing timely and accurate data was a breach that may be reportable to the Pensions Regulator.
- d) Pension contributions must be paid by the 19th of each month.

The Chair thanked the Finance Manager – Pensions Administration for the presentation.

52 DATE OF NEXT MEETING

The provisional date of the next meeting was Wednesday 20th November 2019.

The meeting ended at 12.20 pm