

CUMBRIA PENSIONS COMMITTEE

Meeting date: 16th March 2021

From: Julie Crellin, Director of Finance (S151 Officer)

UPDATE FROM THE CUMBRIA LGPS LOCAL PENSION BOARD

1.0 EXECUTIVE SUMMARY

1.1 This report summarises matters discussed by, issues arising from and any recommendations made by the Cumbria LGPS Local Pension Board (CLPB) at their recent quarterly meeting, held on 13th January 2021.

1.2 There are no areas of concern to highlight to Members.

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

2.1 The vision of the Council as set out within the Council Plan 2018-2022 is for “a Council that works with residents, businesses, communities and other organisations to deliver the best services possible within the available resources”. Included within the Council’s approach to delivering on this vision is “to put customers at the heart of everything we do”.

2.2 Robust governance arrangements help to ensure good management of the Cumbria LGPS (the Fund) for the benefit of scheme members. These arrangements also help to contribute to investment performance, which has an impact on the revenue accounts of employers within the Fund.

2.3 There are no specific equality implications arising out of the recommendations of this report.

3.0 RECOMMENDATION

It is recommended that Members:

3.1 *Note the update from the Cumbria Local Pension Board.*

4.0 BACKGROUND

- 4.1 The role of CLPB is to assist the Administering Authority in all aspects of the governance and administration of the Local Government Pension Scheme (LGPS).
- 4.2 The Cumbria Pensions Committee has tasked the CLPB with the responsibility for monitoring future progress against the data quality improvement plan and uses this report to update the Committee on progress made.
- 4.3 In Cumbria the Pensions Committee and CLPB have shared training events; have access to respective Agenda and Papers; are invited to attend respective meetings; and a formal report is presented by the CLPB at each quarterly Pensions Committee meeting. This report summarises matters discussed by, issues arising from and any recommendations made by the CLPB at their most recent quarterly meeting (13th January 2021).
- 4.4 There were three reports on the agenda: Review of Pensions Committee Decisions and other matters for consideration; The Public Sector Exit Payment Cap and the Reform of Local Government Exit Pay (following a training session on this topic by the Group Finance Manager – Pensions, Investments & Insurance) and Review of Pensions Administration Matters. In addition, the Board also received an update by the Operations Director – Local Pensions Partnership Administration (LPPA) which is a standing item on the Board agenda.
- 4.5 There was a discussion about the best way in which the Board could influence decisions and proposed changes in policies. The Senior Manager - Pensions and Financial Services noted the Board's comments and would consider how engagement and consultation on policies could be carried out; noting that all policies were due to be reviewed and would be presented to the Committee and Board in March.
- 4.6 Members asked for an update on Cyber Risk which was still showing in the Risk Register for the Cumbria Pensions Committee as a red risk. The Group Finance Manager - Pensions Investments & Insurance agreed to investigate this including a review of AON's cybercrime checklist for pensions schemes and report back to the next Board meeting.
- 4.7 Following the training session there was some discussion around the recent Public Sector Exit Payments Cap legislation, and implications for employers and the Fund. One of the members asked if there were likely to be any further claims made of age discrimination. The Group Finance Manager said he felt this was unlikely but that time would tell. The Operations Manager – LPPA informed members that there had been three applications for Judicial Review following publication of these regulations. These were scheduled to be heard in March 2021.

- 4.8 Members should however note that, in February, the Government issued the Exit Payment Cap Directions 2021, which disapplies the Restriction of Public Sector Exit Payments Regulations 2020 in England with immediate effect. Further information is provided in Agenda Item 12 of today's agenda.
- 4.9 Members were advised that YPS performance in the quarter to September 2020, and indeed for every month since October 2019 had exceeded 99%. Board Members congratulated YPS on their performance. They received a verbal update from Ms R Blundell, Operations Director - Local Pension Partnership Administration (LPPA). The update included information on their response to COVID-19 and related issues; a further performance update; strategic issues; survey results and website development.
- 4.10 As previously reported to the Committee, a traffic light system has been developed to better understand which employers (with current active members) are breaching regulatory and Fund policy requirements. In summary there are four requirements each month as set out below, therefore twelve targets to meet during the quarter. If an employer fails once then this triggers an "amber" light, and more than once becomes a "red" light.
- 4.11 From the quarter ended 31st December 2019, each employer with active scheme members has been set quarterly information noting their performance on the traffic light rating and also how they compare to other employers within the Fund. Feedback from employers has been generally positive, and it has been particularly helpful to those employers with outsourced payroll providers, as they were not always aware of issues until notified in the quarterly e-mail. The number of employers ranking as red has halved since the traffic lights were introduced and the same improvement has occurred in the number of employers ranking as amber.

5.0 OPTIONS

- 5.1 The Pensions Committee may note the update from the Cumbria Local Pension Board or alternatively seek further information from the Director of Finance (S151 Officer) or the Chair of the Local Pension Board.

6.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS

- 6.1 Improved governance aids the Fund in running efficiently and effectively, controlling costs and helps to achieve its actuarially defined investment returns.

7.0 LEGAL IMPLICATIONS

- 7.1 Under Part 2H of the Constitution 2.2 (m) provides that it is a function of committee to receive and consider recommendations from the Cumbria Local Pension Board.

8.0 CONCLUSION

- 8.1 In its role in assisting the Administering Authority, the Terms of Reference of the Cumbria LPB require that it reports at least twice yearly to the Pensions Committee on matters reviewed and suggestions for their consideration.
- 8.2 There are no areas of concern to highlight to Members.

Julie Crellin
Director of Finance (S151 Officer)

16th March 2021

APPENDICES

Appendix 1 Minutes of 13th January 2021 Cumbria Local Pension Board Meeting

Electoral Division(s): All

Executive Decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No
Key Decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No
If a Key Decision, is the proposal published in the current Forward Plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Is the decision exempt from call-in on grounds of urgency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No
If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Has this matter been considered by Overview and Scrutiny? If so, give details below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No
Has an environmental or sustainability impact assessment been undertaken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Has an equality impact assessment been undertaken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A

PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS

No previous relevant decisions.

REPORT AUTHOR

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