

CUMBRIA PENSIONS COMMITTEE

Meeting date: 14 March 2023

From: Jo Moore, Interim 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 17 January 2023.*

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

2.1 *The purpose of the Fund is to pay Cumbria LGPS members' pension benefits in accordance with regulations and in a secure, affordable and sustainable manner over the short, medium and long term. To do this, the Fund seeks to:*

- ensure that sufficient resources are available to meet all liabilities as they fall due;*
- manage employers' liabilities effectively and enable employer contribution rates to be kept at a reasonable and affordable cost to the taxpayers and the scheduled, resolution and admitted bodies;*
- achieve and maintain Fund solvency and long term cost efficiency, which should be assessed in light of the profile of the Fund now and in the future; and*
- maximise the returns from investments within reasonable risk parameters taking into account the above aims.*

2.2 *Good governance and risk management will aid the Fund in ensuring its regulatory responsibilities are met, a good service is provided to scheme members, costs are controlled, and its required investment return is achieved. Cost control and the investment performance of the Fund will have a direct impact on the funding level and therefore all*

employers' contribution rates. This will have a direct impact on the Fund Employers' revenue budgets.

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 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 on 17 January 2023.

Committee Papers

4.3 There were two reports on the agenda: Oversight of Pensions Committee Decisions and other matters and Review of Pensions Administration Matters. The Board also received an update from the Managing Director of Local Pensions Partnership Administration (LPPA). This update from LPPA is a standing item on the Board agenda.

Risk Register

4.4 The Board discussed the risks highlighted on the Fund's Risk Register. They welcomed the addition of the risk associated with climate change, the new emerging risk related to biodiversity loss, and the increased risk scoring associated with the expected high turnover of the Pensions Committee.

4.5 A member asked how much of the fund's investments were in currencies other than sterling and requested whether the information could be included as a benchmark figure in future. The Director of Resources (s151 Officer) Westmorland & Furness Council noted that this would be reviewed and considered for inclusion in future reports.

4.6 It was noted that the risk scoring associated with Pensions Administration processes would be revisited as part of the quarterly review process.

CLPB Work Plan

4.7 It was explained that there had been a change to the current Work Plan, as the Pension Regulator's Governance and Administration Survey was not

carried out in 2022 and has been delayed to 2023, so will be reported to the Board in due course.

- 4.8 At their December meeting the Pensions Committee requested that the Board focus on LPPA performance over the next six months and feed back to future Committee meetings as appropriate. This has been added to the Work Plan. There were no changes requested to the Plan.

Data Quality

- 4.9 The Cumbria Pensions Committee has tasked the Board with the responsibility for monitoring future progress against the data quality improvement plan and reviewing the Fund's response to the Good Governance Review. The Board were informed that data held within the Cumbria LGPS continues to be of a good quality.

LPPA

- 4.10 Members acknowledged the Pensions Committee's request that they provide an additional measure of scrutiny over LPPA's performance over the next six months following the recent transition to the new administration system.
- 4.11 The Board welcomed an update by the Managing Director of LPPA, and in particular on the implementation of Project PACE. Cumbria had migrated on 5 December as planned, and as expected there has been a dip in service during implementation. The Board were reassured that where LPPA do experience pressure they are prioritising work as required to minimise any disruption in payments to those in most need.
- 4.12 A Member asked about obtaining more up to date performance statistics from LPPA, and Members welcomed the news that performance would be reported on a monthly basis going forwards. This would allow the Board to review more timely data and become aware of any issues as and when they arose. Members acknowledged that it was vital to have access to appropriate data to maintain a proper oversight of the services provided by LPPA.
- 4.13 Members recorded their best wishes to Rachel Blundell (Operations Manager), who had recently left the organisation.

Employer performance

- 4.14 The Board discussed employer performance, and the traffic lighting system which has been developed to assist with reporting this in the most effective way to the Board. There continues to be a reduction in the number of employers not meeting the regulatory and Fund policy deadlines.

Consultations

4.15 It was noted that officers had submitted a comprehensive response to the 'Governance and reporting of climate change risks' consultation ahead of the 24 November deadline.

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 Part 2H of the Constitution 2.1(l) provides that it is a function of the Committee to receive minutes 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.

Jo Moore
Interim Director of Finance (S151 Officer)

14 March 2023

APPENDICES

Appendix 1 ***Draft Minutes of 17 January 2023 Cumbria Local Pension Board Meeting.***

Electoral Division(s): All

Executive Decision

	No*
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Key Decision

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

PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS

****List here any previous relevant decisions. If none, state “No previous relevant decisions”.***

REPORT AUTHOR

No previous relevant decisions.

REPORT AUTHOR

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