

CUMBRIA LGPS LOCAL PENSION BOARD

Minutes of a Meeting of the Cumbria LGPS Local Pension Board held on Tuesday, 17 January 2023 at 1.00 pm at Conference Room A, Cumbria House, Carlisle, CA1 1RD

PRESENT:

Mrs D Burnet (Chair)

Mr G Archibald
Lord R Liddle

Mrs K Thomson
Ms K Wilson

Also in Attendance:-

- | | |
|-----------------|-------------------------------------------------------------------------------------|
| Ms A Clark | - Senior Manager - Pensions and Financial Services (Deputy S151 Officer – Pensions) |
| Ms P Duke | - Director of Resources (Section 151), Westmorland & Furness |
| Mr A Farrar | - Democratic Services Officer |
| Mr P George | - Group Finance Manager - Pensions, Investments and Insurance |
| Ms A McGuinness | - Finance Manager - Pensions Administration |
| Ms L Taylor | - Finance Manager - Pensions Investments and Governance |
| Ms G Welbourn | - Technical Finance Officer - Pensions |

PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PUBLIC AND PRESS

29 APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr G Capstick.

30 TERMS OF REFERENCE AND MEMBERSHIP

The Terms of Reference were noted.

31 DISCLOSURES OF INTEREST

There were no disclosures of interest.

32 EXCLUSION OF PRESS AND PUBLIC

RESOLVED, that the press and public be excluded from the meeting during consideration of:

Agenda Item No 10 – Review of Administration Matters;
Agenda Item No 11 – LPPA Presentation; and
Agenda Item No 12 – Verbal Update on Emerging Issues

by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as the reports contain information relating to the financial or business affairs of any particular person (including the Authority holding that information).

33 MINUTES

RESOLVED, that the minutes of the previous meeting held on 4 October 2022 be agreed as a true and accurate record.

34 SCHEDULE OF FUTURE MEETINGS

The future meetings of the Cumbria LGPS Pension Board would be confirmed as Local Government Reorganisation progresses.

35 WORK PLAN

Members noted the work plan of the Cumbria LGPS Local Pension Board.

36 OVERSIGHT OF PENSION COMMITTEE DECISIONS AND OTHER MATTERS

Members considered a report from the Senior Manager – Pensions and Financial Services (Deputy Section 151 Officer) which updated them on all aspects of the governance and administration of the Local Government Pension Scheme (LGPS).

Section 4 of this report summarised the work conducted, and decisions made by the Committee at its meeting held on 13 December 2022, in order that Board Members could review these as part of their legal responsibility to members of the Fund.

This report also advised members of other matters arising, including regulatory changes, since last reported to the Board.

The Technical Finance Officer took members through the report, and highlighted the following:

- Legal breaches – there had been no legal breaches reported to the Pensions Regulator during the period to December 2022.
- Risk – One new risk had been added to the register associated with the impact that climate change may have on investments, it was previously an emerging risk on the register. A new emerging risk associated with biodiversity loss had also been added. In addition, the scoring of the risk associated with the loss of key personnel had been increased to reflect the expected high turnover of the Pensions Committee in April 2023. All risks had been thoroughly reviewed this

quarter and no other scores had been changed. There were 19 risks (1 red, 4 amber and 14 green).

- Data Quality – The data continues to be of a good quality.
- Investment Management – The value of the Fund had decreased in the quarter from £3.144 billion to £3.118 billion as a result of the market volatility following Russia’s invasion of Ukraine. However, performance exceeded the Fund specific benchmark over 3, 5 and 10 years.
- Website – In November the Fund launched its own website which provided specific information to scheme employers, scheme members and other interested parties.
- Triennial Valuation 2022 – All employers had received their statements detailing employer contributions for the next three years. The Fund had continued to increase its overall Funding Level from 91% in 2016 to 99% in 2019 and then to 110% at this year’s valuation. The annual employers Forum was held in November. The valuation is progressing in accordance with the agreed timetable.
- Regulatory Changes – There was no further update on the McCloud resolution and the Exit Payment Cap. Officers submitted a comprehensive response to the consultation on the Task Force on Climate Related Financial Disclosures in November.

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 future reports.

A member commented on the 23 September mini-budget and referenced a news article outlining that the turbulence caused by the mini-budget had now settled.

The Director of Resources (s151 Officer), Westmorland & Furness remarked that formal accounting was on an annual basis and it was monitored on a quarterly basis. It was important that the Fund has a long term investment strategy and that it had not been necessary to react to market movements related to this issue, however it was perhaps overly optimistic to suggest that the impact was over.

RESOLVED, that the Board

- (1) noted the decisions approved and other matters considered by the Pensions Committee at the meeting held on 13 December 2022 and request further information and/or feedback to the Pensions Committee as appropriate.

37 DATE OF NEXT MEETING

The next meeting would be confirmed as Local Government Reorganisation in Cumbria progresses.

38 REVIEW OF ADMINISTRATION MATTERS

Members considered a report from the Senior Manager – Pensions and Financial Services (Deputy Section 151 Officer), which provided an update on the following key areas of Pensions' Administration.

- The service provided and monitoring of LPPA with a further update to be provided by LPPA in their presentation at the next agenda item.
- Employer Issues and measures taken to mitigate them.
- Members recorded their best wishes to Rachel Blundell (Operations Manager, LPPA), who had recently left the organisation.
- Members acknowledged 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.

RESOLVED, that the Board noted the Pension Administration matters detailed in the report and requested further information and/or feedback to the Pensions Committee as appropriate.

39 LPPA PRESENTATION: PERFORMANCE UPDATE

Members received a verbal update from Ms J Darbyshire, Managing Director- Local Pension Partnership Administration (LPPA). The update included:

- Quarterly Reporting
- Performance against SLA's
- Project PACE
- Helpdesk
- Executive Leadership Team

The Chair thanked the Managing Director – LPPA for her update.

40 VERBAL UPDATE ON EMERGING ISSUES

The Senior Manager - Pensions and Financial Services and Director of Finance (s151 officer), Westmorland & Furness updated the Board on current emerging issues, including:-

- Consultations
- Stewardship Report
- Local Government Reorganisation

The meeting ended at 2.25 pm

