

Pension Fund Committee Minutes



Tuesday 24 October 2023

PRESENT

Committee members: Councillors Ross Melton (Chair), Laura Janes, Florian Chevoppe-Verdier, Adam Peter Lang and Adrian Pascu-Tulbure

Co-opted members: Peter Parkin

Officers: Eleanor Dennis (Head of Pensions)

Guests:

Jo Darbyshire (LPPA)

William O'Connell (Pensions Board)

Patsy Ishmael (Pensions Board)

Bruce Mackay (Pensions Board)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Michael Adam and Iain Cassidy.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. KEY PERFORMANCE INDICATORS

Eleanor Dennis (Head of Pensions) introduced the report which provided a summary of the performance of the Local Pension Partnership Administration (LPPA) in providing a pension administration service to the Council's Pension Fund which would be presented to the Committee by the Managing Director of LPPA.

Jo Darbyshire (LPPA) provided a presentation on the performance of the Key Performance Indicators (KPI's) from 1st April to 30th June 2023 detailed in appendix 1. She also presented a summary of LPPA challenges and performance across all clients, as well as highlighting increased recruitment.

In relation to help desk calls, Councillor Adrian Pascu-Tulbure asked if there were any specific trends stemming from when the service was at its busiest and what measures were in place to support this. In response, Jo Darbyshire noted that Monday's and the end of the month were the busiest times for helpdesk calls. The Committee noted that weather conditions also had a bearing on the total number of calls received. Jo Darbyshire confirmed that LPPA had more resources in place to accommodate the additional calls.

Councillor Adam Peter Lang asked for further clarification to be provided on the 82 transfers out. Jo Darbyshire explained that the transfers out applied to people who had left their employment with the local government and no longer qualified to be part of the LGPS.

Councillor Adam Peter Lang enquired whether there had been an increase in members opting out of the Local Government Pension Scheme (LGPS). Jo Darbyshire said, that at the beginning of the cost-of-living crisis, there was an increase in opt out and 50/50 scheme contribution enquiries, however this had stabilised over the last few months. She also outlined the process of auto enrolment, highlighting that if members chose to opt out, they would automatically be opted back into the main section of the scheme after three years.

Councillor Adam Peter Lang felt that communication with members was vital and suggested that members be encouraged to remain within the scheme and notified of the benefits, if Officers noticed an increase in the opt out rate. Eleanor Dennis (Head of Pensions) explained that the Local Government Association (LGA) investigated the opt out rate across all LGPS Funds. The findings concluded that there wasn't a spike in the opt out rate due to the pressures around the cost of living. It was noted that the LGA continued to monitor this matter.

Councillor Adam Peter Lang requested that the figures from the LGA investigation be shared with the Committee.

ACTION: Eleanor Dennis

Councillor Laura Janes thanked LPPA for the detailed presentation. She noted the Committee's concerns about the lack of progress to improve service performance since the last meeting with LPPA in October 2022. Jo Darbyshire explained the delay had been caused by the time it had taken to implement and familiarise staff with the functionality of the UPM system. Other factors included the recruitment of good quality administrative staff.

Councillor Adam Peter Lang echoed Councillor Laura Janes's concerns and enquired whether staff at LPPA were set performance targets. Jo Darbyshire explained that every administrative staff member had quantitative and qualitative targets. LPPA were closely monitoring those who were not achieving their targets and acting accordingly.

The Chair enquired if there was any scope to recruit colleagues who were familiar with the UPM system, particularly the monthly returns function to mitigate some of the recruitment concerns. In response Jo Darbyshire

explained that LPPA had a short timescale to implement UPM. LPPA had a strong network of UPM users across other organisations who were able to provide useful feedback and share their accomplishments on how to improve ways of working with the system.

The Chair requested that the Committee be provided with comparison data on the total number of the LPPA staff employees by LPPA prior to the implementation of UPM system in Jan 2022 and how many employees they had now .

ACTION: Eleanor Dennis

Peter Parkin (Co-opted Member) asked if staff were set realistic, achievable targets in line with available resources. In response, Jo Darbyshire explained that targets varied across all departments within the organisation. New employees would also have their own targets unique to them. It was noted that those staff members who were not achieving their targets consistently, would be put on a performance improvement plan.

Councillor Adrian Pascu-Tulbure asked for further clarification to be provided on the incentives available for staff. Jo Darbyshire explained that the priority for LPPA was to drive administrators to progress cases. It was noted that LPPA moved into a new office in June 2023 which offered an improved working environment. This included new recreational and collaborative spaces for staff. In addition, LPPA provided wellbeing webinars and 2 events a year where all staff had the opportunity to collaborate.

RESOLVED:

That the Committee noted the update.

4. PENSION ADMINISTRATION UPDATE

Eleanor Dennis (Head of Pensions) presented the report and gave a summary of activity in the key areas of pension administration for the Council's Pension Fund. Challenges included increasing complex legislation, data challenges, limited resources, and difficulty in engaging with employers, which meant some issues would take months or years to resolve fully.

It was noted all-officer log of recommendations report would be presented at the next Pension Fund meeting.

The Head of Pensions highlighted to the Committee that there was increasing focus in the pensions landscape including from the Pensions Regulator for governing bodies of pension schemes such as the Pension Committee to evidence and work towards better equality, diversity and inclusion. In line with this she proposed that the Committee agree to a draft Equality, Diversity, and Inclusion statement that would be circulated to the Committee for review and be published on the Pension Fund website.

ACTION: Eleanor Dennis

The Chair congratulated the Council's pension team, Tri borough Investment Team and Pension Fund Committee members past and present for their contribution in achieving the LGPS fund of the year award.

Jo Darbyshire (LPPA) provided a presentation on McCloud and LPPA's future goals.

Willam O'Connell (Pension Board Member) enquired when LPPA would be up to date with the cases in line with the McCloud remedy requirement. Jo Darbyshire noted that there was a high volume of cases to review, and this could take longer than proposed 18 months. It was noted that updates on LPPA's future plans on how to action these cases would continue to be brought to a committee meetings.

Referring to page 21 of the agenda pack, Councillor Florian Chevoppe-Verdier asked for further clarification to be provided in relation to the overpayments. In response Eleanor Dennis noted that the overpayments were in respect of legacy bereavement cases. Which were inherited from the Council's previous pension Administrator. The pension team continued to work with LPPA and the Council's debt recovery teams to try to recover further outstanding overpayment monies.

Referring to page 21 of the agenda pack, Councillor Florian Chevoppe-Verdier enquired how much of the Teams time was devoted to supporting LPPA. Eleanor Dennis noted that whilst this was a valid point, however it was challenging to quantify the time the LBHF pension team spent on these additional activities. It was noted that work within the team was varied and not time driven. However, the team continued to record issues including bereavement cases and feed these back to LPPA to resolve and improve.

RESOLVED:

That the Committee noted the update.

5. FUND EMPLOYER CESSATIONS

Eleanor Dennis (Head of Pensions) presented the report which outlined the cessation activity for the Fund.

It was noted that an amended set of recommendations were published and circulated to the Committee on 23rd October 2023.

The paper included a recommendation of a decision to be made by the Committee with reference to a Fund employer that had ceased in the Fund but had a surplus at the time that they are ceasing to be a participating employer in the Fund. The recommendation was that the surplus was processed as detailed in Exempt Appendix 1 (Amended) - Exempt information, implications, and recommendations.

Members discussed Exempt Appendix 1 (Amended) in the exempt session at the end of the meeting.

RESOLVED:

That the Pension Fund Committee:

- 1 Approved that appendices (1-8) were not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
- 2 Approved the payment of exit credits as set out in Exempt Appendix 1 (Amended) - Exempt information, implications, and recommendations.

6. DATE OF THE NEXT MEETING

The date of the next meeting was noted as 15 November 2023.

7. EXCLUSION OF THE PUBLIC AND PRESS (IF REQUIRED)

The Committee agreed, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

Pensions Board members left the meeting.

Meeting started: 7:15pm
Meeting ended: 8:40pm

Chair

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