



LGPS LOCAL PENSION BOARD 7 JUNE 2018

PRESENT:

Independent Chair: Roger Buttery

Employer Representatives: Councillor M A Whittington and Kirsty McGauley

Scheme Member Representatives: Ian Crowther and David Vickers

Councillors: attended the meeting as observers

Officers in attendance:-

Andrea Brown (Democratic Services Officer), David Forbes (County Finance Officer), Yunus Gajra (Business Development Manager, West Yorkshire Pension Fund), Claire Machej (Accounting, Investment and Governance Manager), Jo Ray (Pension Fund Manager) and Vicki Sharpe (Pay and Reward Lead)

1 APOLOGIES FOR ABSENCE

No apologies for absence had been received. All Members were in attendance.

2 DECLARATIONS OF MEMBERS' INTEREST

Councillor M A Whittington declared that his wife was in receipt of a pension from the fund.

A standing declaration for Mr D Vickers was noted as follows:-

"Mr D Vickers highlighted a potential interest due to an ongoing issue between Mouchel Pension Scheme, of which he is a Trustee, and the Lincolnshire Pension Fund which was administered by West Yorkshire Pension Fund. The Board was asked to note the potential conflict of interest during consideration of future items."

3 MINUTES OF THE MEETING OF THE LGPS LOCAL PENSION BOARD HELD ON 26 MARCH 2018

The Chairman asked that the following amendments be made to the minutes:-

Minute No. 33 (page 4 of the agenda pack)

The following sentence to be added to the end of paragraph 3:-

"This meeting was cancelled due to the adverse weather conditions."

2
LGPS LOCAL PENSION BOARD
7 JUNE 2018

The first sentence in paragraph 4 to be deleted and the second sentence amended to read:-

"Vicki Sharpe of LCC explained that Fiona Thompson (Service Manager, People) had been unable to attend this meeting as she was currently addressing the Audit Committee on similar issues."

RESOLVED

That the minutes of the meeting of the LGPS Local Pension Board held on 26 March 2018, with the amendments noted above, be agreed and signed by the Chairman as a correct record.

4 EMPLOYER ISSUE - LCC IMPROVEMENT PLAN

Consideration was given to a report by Jo Ray (Pension Fund Manager) which provided an overview of the concerns raised by the Board relating to the information provided by Lincolnshire County Council (LCC) to the Fund's Administrator, West Yorkshire Pension Fund (WYPF).

The Board received a report in January and an update in March 2018 following which LCC were invited to this additional meeting to provide assurance to the Board that the issues were being addressed and that robust arrangements had been established in order to fulfil their statutory responsibilities as an employer.

Vicki Sharpe (Pay and Reward Lead, LCC) introduced the report and circulated a document entitled 'Progress on Actions – Leavers Data Sent to WYPF @ 7 June 2018'. The document included the following priority actions and progress to-date:-

1. Progress the Leaver's Backlog;
2. Address the quality issues (both correcting the historical errors and ongoing);
and
3. Ongoing monitoring of the employer responsibilities by LCC.

The Board was advised that the current backlog stood at 678 with a further 176 cases to be submitted by the end of the week, this would take the outstanding backlog to 502. Some concern had been raised about the quality of the data although Serco had indicated that these were the more complex case which dated back to before 2015. These particular cases required manual data checks through paper files and records to ensure that submissions were accurate in order to minimise queries from the Fund's Administrator.

The Board was assured that the backlog would be complete within two to three months.

Having self-referred to The Pension Regulator (TPR), LCC were sending regular updates on progress. It was reported that TPR had not contacted LCC about their referral, therefore it was assumed that they were content with the progress so far.

A follow-up Payroll Audit had been completed in May 2018 which focussed on known issues and auditing that improvements had been made consistently to the control environment in payroll. An update was to be presented to the Audit Committee in June 2018.

The Chairman invited Yunus Gajra (Business Manager, West Yorkshire Pension Fund) to comment on the improvements made from the point of view of the Pensions Administrator. It was noted that there had been a vast improvement from the previous position but that the rate of receiving rectified data had resulted in considerable additional work to calculate deferred benefits and deferred benefit statements. The improvements had been noticeable and that the forms received appeared to be accurate therefore the number of queries had reduced significantly.

During discussion, the following points were noted:-

- Any underpayments would be rectified through future payrolls;
- Since the last meeting of the Board, it had been reported that LCC were currently looking for an alternative payroll provider from 2020 (at the end of the current contract with Serco). Planning was underway to transition to a new provider;

At 2.12pm, Mr D Vickers joined the meeting

- The potential for the Council to move to a new contract with Hoople raised concern that the priority would be given to the current data ahead of any transition, rather than the historical data. It was explained that there were a number of projects ongoing which included data cleansing. Workshops held with Hoople had shown the capability of the Business World On system (Agresso) to LCC and Serco staff and how data quality issues could be prevented. This had resulted in increased confidence in the transition and the data improvements;
- Serco had appointed a dedicated manager to lead on the rectification of the historical data which was being carried out as a separate project. LCC senior management continued to hold Serco to account to ensure that there was a vigour to the process and to ensure that the data was produced accurately and as quickly as possible;
- It was explained that Hoople were a Teckal company, established in 2011 by Herefordshire County Council alongside Herefordshire PCT and Wye Valley NHS Trust, to provide a range of services to strategic partners and customers;
- It was reported that TPR was to visit West Yorkshire Pension Fund to review data quality and record keeping. It was expected that this would be at a high level during this particular visit and that focus on detailed records was not anticipated;
- Data warehousing was an urgent project for LCC and it was confirmed that IMT was proactively working to create the new data warehouse;
- Monthly returns for members of staff leaving the organisation now were being met within the two month deadline. Although some areas remained

4

LGPS LOCAL PENSION BOARD

7 JUNE 2018

outstanding outside of leaver issues, monthly meetings had highlighted these cases to enable resolutions to be found;

- From a payroll perspective it was expected that, at the current rate of progress, that the Council would move to 'substantial assurance' for 'forward looking and not backward looking' work;
- The next Valuation Date was March 2019. The Board was assured that payroll from April 2018 had been accurate following the implementation of a number of fixes;
- Cases which could not be resolved would be referred back to the employer to provide manual records, however this was thought to be unlikely.

The Board was happy with the update provided and the progress made so far. It was agreed that a brief summary of the monthly meetings between LCC and Serco be provided to the Board to provide further assurance that improvements continued.

RESOLVED

1. That the update be noted; and
2. That a summary of the monthly meetings between LCC and Serco be presented to the Board at future meetings.

The meeting closed at 2.39 pm