

Open Report on behalf of Pete Moore - Executive Director of Finance and Public Protection

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| Report to: | Pensions Committee |
| Date: | 21 March 2019 |
| Subject: | Report by the Independent Chair of the Lincolnshire Local Pension Board |

Summary:

The purpose of this report is:

- A) To update the Pensions Committee on the work of the Pensions Board (PB) during the last few months;
- B) For the Pensions Committee to consider recommendations from the PB; and
- C) For the Pensions Committee to receive assurances gained from the PB's work.

Recommendation(s):

The Pensions Committee is requested to:

- A) Note the report; and
- B) Note and consider the report on the BCPP Governance Review.

Background

OUTCOMES FROM PENSION BOARD MEETING ON 10 JANUARY 2019

1.1 The PB met on the 10th January and its main focus was on the following topics:

- A) **Backlog of leaver records** – it is pleasing to report that in addition to clearing the historic backlog, the in-year leavers for Lincolnshire County Council (LCC) had reduced to normal levels. The PB acknowledged the improvements made as part of the LCC Employer improvement plan and were content to cease the requirement for regular reporting back to the Board. LCC will now fall into the normal monitoring of all employers. On behalf of the PB, the Chairman wrote to the Head of Paid Services to express the Board's satisfaction with the work that had been carried out and

suggested that it would be appropriate for LCC to notify the Pensions Regulator that all backlogs had been cleared.

- B) **Employer Monthly Submissions and Contribution Monitoring** – the report on this matter at the last meeting generated some debate. Generally, the payment of contributions and the Employer Data Submissions on a timely basis are good but there are still a few outliers. This is both disappointing and unacceptable. Officers felt it was important to work with employers to attempt to resolve issues before taking further action, as it was important to maintain good relationships with them. The PB resolved that at this stage no further actions should be taken against employers submitting late or inaccurate payments or data but that the Board continue to receive the Employer Monthly Submissions Update Report.
- C) **Data Scores** – the PB considered a report from WYPF on the data scores for the Lincolnshire Pension Fund as reported to the Pensions Regulator; these were Common 95.71% and Conditional 94.81%. The target is 100%, particularly for Common Data. WYPF are currently working on a data improvement plan and using a tracing company in an attempt to track lost members. During the ensuing discussion, it transpired that when a member reaches pension age and they have not been successfully traced, WYPF had set up a HSBC bank account with sub accounts for each pensioner. This avoided any unauthorised payment tax charges for the members once they were found. The PB requested a further report on the Pension Regulator's data scores together with sight of the improvement plan. The PB will also monitor the HSBC sub account procedures and may invite internal audit to review.
- D) **Border to Coast Governance (BCPP) Review** – at the request of the Board, the Pension Fund Manager (PFM) produced a report which detailed the governance structure of BCPP. The PFM identified the key stakeholders of BCPP and explained what each of the roles entailed. Prior to the meeting, the Chairman had submitted a number of questions by email in relation to the governance review. In the interests of time, the answers were circulated after the meeting. In terms of good governance, the Chairman believes that the S151 Officers' Group should produce minutes/notes of their meetings. The PB commends the PFM's excellent report to the Pensions Committee, a copy of which is attached at **Appendix A** to this report together with the supporting questions and answers (**Appendix B**).
- E) **BCPP Joint Committee Scheme Member Representative** – the BCPP Joint Committee has approved an addition to its existing membership, one non-voting scheme member representative, together with a standing substitute. Both scheme member representatives of the Lincolnshire Board were eligible to put themselves forward for the position. After much deliberation both during and after the meeting, both members decided against being part of the ballot process. In the event, five scheme members from other BCPP funds were entered in the ballot. Nicholas Wirz, from Tyne

and Wear, was elected as the scheme member representative and Deirdre Burnet, from Cumbria, will hold the substitute role.

Conclusion

ASSURANCES GAINED BY THE BOARD

- 2.1 The backlog of leaver records for LCC as Employer has been cleared;
- 2.2 The vast majority of employers pay their contributions on time and submit the required documentation. However, there are a few late payers and even more where the data submission is late;
- 2.3 The PB has some concerns about the data scores and cannot provide full assurance on this aspect; and
- 2.4 The PB welcomed the BCPP Governance Report and were assured by its contents.

Roger Buttery Independent Chairman

February 2019

Consultation

a) Have Risks and Impact Analysis been carried out??

No

b) Risks and Impact Analysis

N/A

Appendices

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| These are listed below and attached at the back of the report | |
| Appendix A | Lincolnshire Pensions Board - Border to Coast Governance Review Report (from 10 January 2019 meeting) |
| Appendix B | Lincolnshire Pensions Board - Border to Coast Governance Review Supporting Questions and Responses |

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Roger Buttery, who can be contacted on 01522 553641 or claire.machej@lincolnshire.gov.uk.

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