

**Open Report on behalf of Andrew Crookham, Executive Director -  
Resources**

Report to:	<b>Pensions Committee</b>
Date:	<b>18 July 2019</b>
Subject:	<b>Report by the Independent Chair of the Lincolnshire Local Pension Board</b>

**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 receive assurances gained from the PB's work; and
- C) For the Pensions Committee to consider recommendations from the PB.

**Recommendation(s):**

The Pensions Committee is requested to:

- A) Note the report; and
- B) Adopt a requirement that any member joining the Pensions Committee or PB should complete the Pension Regulator's training toolkit within six months of taking office.

**Background**

**1.0 OUTCOMES FROM PENSION BOARD MEETING ON 21 MARCH 2019**

1.1 The PB met on the 21 March and its main focus was on the following topics:

- A) **The Pension Regulator's Code of Practice** – the PB regard Lincolnshire's compliance to the Code as very important in the overall context of governance of the pension scheme. It is pleasing to report that Lincolnshire was largely compliant, in that there were 94 green out of 99 items in the Code. There were still 4 partially compliant – one of which concerns members of both the Pensions Committee and PB and that is completing the Regulator's training toolkit. Going forwards, the PB recommends that

completion of the training tool kit within six months of joining the Committee (or Board) should be a requirement for all new members.

- B) **Employer Monthly Submissions and Contribution Monitoring** – the PB considered a further update on the payment of contributions and employer submissions. Generally, the payment of contributions and the Employer Data Submissions on a timely basis are good, but there are still a few outliers. For the nine months ended December 2018, there were 30 cases of the late payment of contributions and 94 cases of the late submission of the monthly returns. This is both disappointing and unacceptable. The Board acknowledged that it was necessary 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 will continue to monitor the situation.
- C) **Data Scores** – the PB considered an update from WYPF on the data scores for the Lincolnshire Pension Fund as reported to the Pensions Regulator; these were Common 96.01% and Scheme Specific 95.78%. 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.
- D) **Pension Benefits in Suspense** – in my last report, I mentioned 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 avoids any unauthorised payment tax charges for the members once they were found. The Board requested a detailed report on the amounts currently held in these Sub Accounts and the proposed course of action to find the members. This will be considered at the meeting on the 18<sup>th</sup> July.
- E) **Meeting of BCPP Local Pension Board Chairs** – there was a meeting of Pension Board Chairs on the 22<sup>nd</sup> May. This was very much an “ice-breaker” session. A range of items were discussed including governance of Border to Coast and the need for clearer information on savings and the implementation costs incurred; relationships between Boards and Pensions Committees; engagement with the Pensions Regulator; recruitment and retention of members and maintaining knowledge and skills.

## **Conclusion**

### **ASSURANCES GAINED BY THE BOARD**

- 2.1 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;
- 2.2 The PB has some concerns about the data scores and cannot provide full assurance on this aspect; and

- 2.3 The PB has some concerns over the controls of the Suspense Account for unpaid pension benefits.

**Roger Buttery**  
**Independent Chairman**

June 2019

**Consultation**

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

No

**b) Risks and Impact Analysis**

N/A

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