



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

Report to:	Pensions Committee
Date:	12 October 2023
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 Pension 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 (PC) to consider recommendations from the PB.

Recommendation(s):

That the Committee considers and notes the report.

Background

1. OUTCOMES FROM PENSION BOARD MEETING ON 13 JULY 2023

1.1 The PB met on the 13 July and the main focus was on the following issues:

- a) TPR Checklist Dashboard
- b) Pensions Administration Report
- c) Data Quality Report
- d) The Pensions Dashboard
- e) Annual Report & Accounts 2021/2022 and 2022/2023

- 1.2 **TPR Checklist Dashboard** - Lincolnshire's compliance to the Code is regarded as a very important report. A checklist of 99 items covering a number of governance areas was produced in a traffic lights format. It is pleasing to report that Lincolnshire was largely compliant throughout the year. As at July 2023, there were 94 green and 1 not relevant. There were 4 partially compliant – 1 related to knowledge and understanding. Whilst most members of the PC and PB have completed this training, several new members had recently been appointed and they have a period of six months to complete their training. The other 3 related to certain aspects which are outside direct control. The Board considered that the compliance to tPR's Code was very good.
- 1.3 **Pensions Administration Report** – there was a lengthy discussion on the report from WYPF. There were a number of work types where the KPIs had not been met during the period 1 January to 31 March 2023, including deaths in service and deferred benefits into payments quote. Staffing and resourcing presented the greatest challenge regarding administration performance. However, WYPF was confident that with vacancies filled, it would be possible to hit the KPIs. The administration performance will be kept under close review.
- 1.4 **Data Quality Report** – a further report from WYPF was presented and the good news is that the overall direction of travel is positive. The data scores presented were Common 96.17% and Scheme Specific 87.91%. It follows that there is still some way to go on hitting at least 95% on Scheme Specific and the PB will keep data quality under close review.
- 1.5 **The Pensions Dashboard** – the Governance and Business Development Manager from WYPF updated the Board on progress with the development of the Pensions Dashboard. Although connecting to dashboards has been delayed until 31 October 2026 by the Department of Work & Pensions, WYPF is planning to meet the original deadline of September 2024.
- 1.6 **Annual Report & Accounts 2021/2022 and 2022/2023** – the PB also considered a further report on the external audit of the Annual Report & Accounts for 2021/2022. At the December meeting, the PB was informed that the external auditor was expected to give an unqualified audit opinion on the pension scheme accounts alongside the audit opinion on the Council's Statement of Accounts which have to be signed off in conjunction with each other. This was however delayed because of national issues on the treatment of infrastructure and the impact of triennial valuations being completed ahead of the accounts sign off. I understand that these Accounts are expected to be signed off soon.

The PB also considered the Pension Fund draft Annual Report & Accounts for 2022/2023 and congratulated the Head of Pensions on an excellent document. The PB raised a few queries which were satisfactorily resolved.

Conclusion

2. ASSURANCES GAINED BY THE BOARD

- 2.1 The PB considered that the compliance to tPR's Code was very good.
- 2.2 The PB was disappointed at the number of missed pensions administration KPIs but acknowledged the pressures the staff were under.
- 2.3 The PB recognises the work being undertaken on data issues but cannot provide full assurance on this aspect.
- 2.4 The PB gained comfort that WYPF are well advanced on the pension dashboards national initiative.
- 2.5 The PB was pleased that the external auditor is expected to give an unqualified opinion on the Fund Statement of Accounts for 2021/2022, albeit very late through circumstances outside the Lincoln Pension's Team control.
- 2.6 The draft Report & Accounts for 2022/2023 demonstrates excellent stewardship by the Lincoln Pensions Team and WYPF.

Roger BATTERY
Independent Chairman

September 2023

Consultation

a) Risks and Impact Analysis

The Pension Fund has a risk register which can be obtained by contacting the Head of Pensions.

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 BATTERY, who can be contacted on 01522 553656 or jo.kempton@lincolnshire.gov.uk.

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