



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

Report to:	Pensions Committee
Date:	11 January 2024
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 to consider recommendations from the PB.

Recommendation(s):

That the Committee considers and notes the report.

Background

1. 0OUTCOMES FROM PENSION BOARD MEETING ON 9 NOVEMBER 2023

1.1 The PB met on the 9th November and the main focus was on the following issues:

- a) TPR Checklist Dashboard
- b) Pensions Administration Report
- c) Temporary Bank Accounts
- d) Border to Coast Annual Report & Accounts
- e) Annual Report & Accounts 2021/2022 and 2022/2023

1.2 **TPR Checklist Dashboard** – the PB considers that compliance to the Code as very important in terms of governance and accountability of the pension scheme. 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 the end of June 2023, there were 94 green and 1 not relevant. There were 4 partially compliant – 1 related to knowledge and understanding. From a governance point of view and to keep The Pensions Regulator (TPR) on side, the Board expressed concern regarding the timely completion of training by several members of the Pensions Committee, as the six months training window was soon to pass. The other 3 related to certain aspects which are outside direct control. The Board considered that the compliance to TPR's Code was 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 April to 30 June 2023. The number of “frozen” scheme members (those entitled to a refund) had increased. Issues concerning delayed AVCs had been recognised and were in part due to the calculation of tax allowance thresholds. Further information was requested on the appeals and the Pensions Ombudsman cases. The administration performance will be kept under close review.
- 1.4 **Temporary Bank Accounts** – for a number of years, WYPF has set up a number of temporary bank accounts with HSBC for deferred or pensioner beneficiaries who are entitled to a pension scheme benefit be it a refund of contributions or a lump sum/pension) but for whom WYPF has lost contact or who will not claim their benefits. The PB received a report showing the number of temporary bank accounts created by the Fund to hold monies due to beneficiaries in the scheme. There were 26 temporary deposit accounts totalling £41,058 in respect of pensioners and deferred members. The total number of temporary accounts for post 2014 refunds was 598, totalling £91,433.
- 1.5 **Border to Coast Annual Report & Accounts** – there was a very good presentation by representatives from Border to Coast on the Annual Report & Accounts for 2022/2023. The PB raised a number of questions which were satisfactorily answered.
- 1.5 **Annual Report & Accounts 2021/2022 and 2022/2023** – the PB also considered a brief update on the external audit of the Annual Report & Accounts for 2021/2022. I understand that the 2021/2022 Accounts were signed off in November and the 2022/2023 Accounts are expected to be signed off by the end of December, both unqualified. This places Lincolnshire in a very good position and well ahead of most local authorities. For those interested, I can commend reading the House of Commons, Levelling Up, Housing and Communities Committee's report on Financial Reporting and Audit in Local Authorities.

Conclusion

2. ASSURANCES GAINED BY THE BOARD

- 2.1 The PB considered that the compliance to TPR's Code was good but concern was expressed in respect of the timely completion of the training requirements by several members of the Pensions Committee.
- 2.2 The PB was disappointed at the number of missed pensions administration KPIs but acknowledged the pressures on staff and that there had been an improvement from the previous quarter.
- 2.3 In relation to the temporary bank accounts for pensioners and deferred members, the PB is keen for the WYPF to make further efforts to ensure that pension entitlements are paid to the beneficiaries.
- 2.4 The PB had no issues over the Annual Report & Accounts for Border to Coast.
- 2.5 The PB is pleased that the Annual Report & Accounts for 2021/2022 have at last been signed off, albeit very late through circumstances outside the Lincolnshire Pension's Team control.
- 2.6 The PB is similarly delighted that the Report & Accounts for 2022/2023 are expected to be signed off by the end of December.

Roger Buttery
Independent Chairman

December 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.

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