



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

Report to:	Pensions Committee
Date:	21 March 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. OUTCOMES FROM PENSION BOARD MEETING ON 9 NOVEMBER 2023

1.1 The PB met on the 11th January and the main focus was on the following issues:

- a) TPR Checklist Dashboard
- b) Pensions Administration Report
- c) Data Quality Report
- d) Annual Employer Activity and Monitoring Report
- e) Annual Report & Accounts 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 December 2023, there were 94 green and 1 not relevant. There were 4 partially compliant – 1 related to knowledge and understanding. The other 3 related to certain aspects which are outside direct control. The Board continues to be concerned at the length of time it is taking to return the “knowledge and understanding” to green.

- 1.3 **Pensions Administration Report** – there was a lengthy discussion on the report from WYPF. Recruitment and resourcing were ongoing issues and WYPF had experienced peaks and troughs which had impacted workflows at various points throughout the year. The good news was that some vacancies had been filled and performance across key areas had improved. Recruitment was a rolling process as there was a nationwide shortage of qualified personnel. There were long delays in the processing of appeal cases by the Pensions Ombudsman. The administration performance will be kept under close review.
- 1.4 **Data Quality Report** – WYPF updated the PB on data issues and the data improvement plan. The Common data scores was 96.18% at November 2023 compared with 96.17% at June 2023. The Scheme specific data score was 87.68% at November compared with 87.91% at June 2023. WYPF had recently completed an exercise with the TPR. Information and documentation had been shared with TPR who in turn gave guidance and advice, some of which WYPF had been able to act upon immediately. TPR had provided a report which had an overall green rating for both Management & Governance and Systems & Processes. The PB will continue to keep data quality under review.
- 1.5 **Annual Employer Activity and Monitoring Report** - the PB noted that there had been a net gain of eight new employers during the year. Late and/or inaccurate employer submissions were low in number and there were no significant concerns to report. Disappointingly, there were 37 late payment of contributions which, given the number of employers (257), means that compliance is good. Even so, the PB remains disappointed that some employers fail to pay the pension contributions by the statutory deadline of 19th of the month following the month the salary payments were made. The PB recognised that a large proportion of late submissions were due to issues with the employers’ payroll providers.
- 1.6 **Annual Report & Accounts 2022/2023** – the PB was delighted that the external audit of the Annual Report & Accounts for 2022/2023 Accounts had been completed with an unqualified opinion in November and subsequently signed off. This places Lincolnshire in a very good position and well ahead of most local authorities. The PB has been monitoring the national scene and for those interested, I can report that a consultation document has been issued recently on “Local audit delays: Joint statement on update to proposals to clear the backlog and embed timely audit”. Lincolnshire does not fall in to this category and the officers are to be congratulated on their work and achievements.

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 Despite the problems over staffing, the PB concluded that WYPF offers members a very good pensions administration service.
- 2.3 The PB recognises the work being undertaken on data issues but continues to have concerns about the progress on data scores and cannot provide full assurance on this aspect.
- 2.4 The PB concluded that the vast majority of employers comply with the rules on the payment of contributions and the submission of monthly returns.
- 2.6 The PB is delighted that the Report & Accounts for 2022/2023 were signed off by the end of December.

Roger BATTERY
Independent Chairman

March 2024

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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