



County Offices
Newland
Lincoln
LN1 1YL

24 December 2021

LGPS Local Pension Board

A meeting of the LGPS Local Pension Board will be held on **Thursday, 6 January 2022 at 2.00 pm in the Council Chamber, County Offices, Newland, Lincoln LN1 1YL** for the transaction of the business set out on the attached Agenda.

MEMBERS OF THE BOARD

Independent Chair (non-voting): Roger Buttery

Employer Representatives (voting): Councillor M A Whittington and Gerry Tawton

Scheme Member Representatives (voting): Kim Cammack and David Vickers

AGENDA

Item	Title	Pages
1	Apologies for Absence	
2	Declarations of Interest	
3	Minutes of the previous meeting held on 14 October 2021	5 - 12
4	Pension Fund Update Report <i>(To receive a report by Jo Ray (Head of Pensions) which updates the Board on the fund for the quarter ending 30 September 2021 and any other current issues)</i>	13 - 28
5	Responsible Investment Update <i>(To receive a presentation by Claire Machej (Accounting, Investment and Governance Manager) which provides the Board with an update on responsible investment activity during the second quarter of the financial year 2020/21)</i>	29 - 46
6	Pensions Administration Report <i>(To receive a report by Yunus Gajra (Assistant Director for Finance, Administration and Governance, West Yorkshire Pension Fund) which offers the Board the quarterly report of the Fund's administrator, West Yorkshire Pension Fund)</i>	47 - 70
7	West Yorkshire Pension Fund Presentation - Working with Employers <i>(To receive a presentation by Ammie McHugh (Employer Relations Manager, West Yorkshire Pension Fund) which updates the Board on employer relations matters)</i>	71 - 88
8	Data Quality Report <i>(To receive a report by Yunus Gajra (Assistant Director for Finance, Administration and Governance, West Yorkshire Pension Fund) which updates the Board on the data quality scores for the Lincolnshire Pension Fund which is reported to The Pensions Regulator each year in November)</i>	89 - 102
9	Employer Monthly Submissions Update <i>(To receive a report by Claire Machej (Accounting, Investment and Governance Manager) which provides the Board with up-to-date information on Employer Monthly Submissions for the second quarter of the financial year 2021/22, July to September inclusive)</i>	103 - 110
10	Annual Report and Accounts 2020/21: The External Auditors Audit Completion Report <i>(To receive a presentation by Claire Machej (Accounting, Investment and Governance Manager) which provides the Board with the Audit Completion Report from Mazars, the Funds External Auditor, on the 2020/21 audit of the financial statements)</i>	111 - 148

- 11 Training Needs** 149 - 156
(To receive a report by Claire Machej (Accounting, Investment and Governance Manager) which provides Board Members the opportunity to discuss any training attended since the last Board meeting and provide feedback to other Board Members on its content)
- 12 Work Programme** 157 - 162
(To receive a report by Claire Machej (Accounting, Investment and Governance Manager) which invites the Board to consider its work programme for the coming meetings)

Published on Friday, 24 December 2021

Please note: This meeting will be broadcast live on the internet and access can be sought by accessing [Agenda for LGPS Local Pension Board on Thursday, 6th January, 2022, 2.00 pm \(modern.gov.co.uk\)](#)

Should you have any queries on the arrangements for this meeting, please contact Robert Close via telephone 01522 552113 or alternatively via email at robert.close@lincolnshire.gov.uk

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**LGPS LOCAL PENSION BOARD
14 OCTOBER 2021**

PRESENT:

Independent Chair: Roger Buttery

Employer Representatives: Gerry Tawton

Scheme Member Representatives: Kim Cammack and David Vickers

Officers in attendance:-

Robert Close (Democratic Services Officer), Andrew Crookham (Executive Director Resources), Michelle Grady (Assistant Director – Finance) and Claire Machej (Accounting, Investment and Governance Manager)

Officers joining the meeting remotely via Microsoft Teams:-

Jo Ray (Head of Pensions), Lisa Darvill (Client Relationship Manager, West Yorkshire Pension Fund)

15 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor M A Whittington.

16 DECLARATIONS OF INTEREST

Mr Gerry Tawton declared that his wife was a deferred member of the Pension Fund.

17 MINUTES OF THE PREVIOUS MEETING HELD ON 15 JULY 2021

During consideration of the minutes from the previous meeting held 15 July 2021, the following update was received.

- The Chairman took the opportunity to advise that he had shared the deep dive into Border to Coast report with other partner fund Pension Board chairmen, however further discussions hadn't taken place due to limited interest.

RESOLVED

That the minutes of the meeting held on 15 July 2021 be approved as a correct record.

18 BORDER TO COAST PENSIONS PARTNERSHIP - GOVERNANCE PRESENTATION AND ANNUAL REPORT AND ACCOUNTS

Mr Andrew Stone, Border to Coast, presented an overview of Border to Coast Pensions Partnership Ltd. including detail of its vision, governance arrangements, key personnel, investment programme, wider corporate development programme, Lincolnshire's current investments, potential future investments, responsible investment strategy and an update on pooling savings.

In response to questions, the following comments were made:

- Staffing budget and resources were agreed with shareholders in consultation with Section 151 officers. Approval wasn't sought on a role by role basis; budgets were set in anticipation of resource demand.
- An Asset Management Charge (AMC) would likely be introduced in 2022 as a way of fairly splitting costs between different partner funds. Changes were currently made based on what partner funds state as their asset allocation intentions. It was appreciated however that, as Border to Coast were not a profit making company, an AMC would have to be carefully designed and closely monitored.
- Figures were available which detailed the cost savings for each individual partner fund. In addition to fee savings, pooling offered the opportunity to cross trades with other partner funds, something that Lincolnshire had recently benefitted from. Comparisons were made to legacy management costs identified prior to pooling. For example, employing a non-commercial asset manager could result in a number of elements of the fees being removed.
- The general partners (GP) were set up to allow investments in private markets to be made. Lincolnshire hadn't been included in the list of subsidiary companies in the Border to Coast Annual Report, as investments hadn't yet been made into alternatives. A GP arrangement for Lincolnshire will be created when the Fund starts to invest in alternatives with Border to Coast, which is expected to be in the next year.
- Regulatory share capital was calculated based on the specific value of the company. Subsequent investments made have further increased that value.

- Lincolnshire County Councillors wouldn't expect to nominate for Partner Fund Non-Executive Director (NED) positions as, in consultation with the Executive Director – Resources and the Monitoring Officer, it was considered that an Elected Member could have a conflict of interest between acting in the best interest of the company as a board member with their responsibilities on the Pensions Committee.

RESOLVED

That the report and presentation be noted.

19 PENSION FUND UPDATE REPORT

A report was submitted to the Board on various Pension Fund matters for the quarter ending 30 June 2021. These matters included The Pensions Regulator (TPR) checklist dashboard and code of practice, breaches register update, risk register update and an asset pooling update.

In response to questions, the following comments were made:

- TPR hadn't been forthcoming with their action plan to address the deficiency in Prudential's service delivery. No response had been received from Prudential for four weeks. Improvements were noticed and the impact to scheme members had been limited. The Fund's administrator, West Yorkshire Pension Fund, had ensured no financial difficulty had been suffered by scheme member by paying out portions of lump sums while waiting for Prudential. The Executive Director of Resources agreed to raise this matter at the Society of County Treasurers AGM and consider if a joint communication from the Chairmen of a collection of pension funds should be sent to TPR expressing disquiet with Prudential.
- The impact from Prudential hadn't been included on the risk register as it wasn't considered to be a material issue. Only 800 of the 25,000 active members had AVCs, therefore the impact was very small on the fund overall.

RESOLVED

1. That the Board recommend to the Pensions Committee that they include the risk from Prudential's payment deficiency on the risk register.
2. That the Chairman of the LGPS Pensions Board and the Executive Director – Resources raise their discontent to the SCT, to provide a collective response.
3. That the Pension Fund update report be noted.

20 RESPONSIBLE INVESTMENT UPDATE

A report was submitted to the Board which gave an update on Responsible Investment (RI) activity during the first quarter of the financial year 2021/22. These matters included an update on the work undertaken by the LAPFF, the RI activity of Border to Coast, voting activities on shares held by the fund, the Financial Reporting Council's new Stewardship Code and the fund's Investment and Responsible Investment beliefs.

RESOLVED

That the report be noted.

21 PENSIONS ADMINISTRATION REPORT

The Client Relationship Manager from West Yorkshire Pension Fund reported on the Fund's key performance and benchmarking for the period 1 April 2021 to 30 June 2021. These matters included performance and benchmarking, scheme information, member and employer contact, internal disputes resolution procedures, administration update, current technical issues, web registrations, shared service budget and award nominations.

In response to questions, the following comments were made:

- A report was being developed to identify the number of scheme members viewing annual benefit statements. Currently, it was only scheme members' login times available, not the pages visited. Further work was being done to provide additional data. Scheme members were encouraged to sign up to MyPensions through newsletters.
- Of those scheme members eligible to receive a benefit statement, 99.9% had been produced for deferred members, and 98.7% for active members.

RESOLVED

That the report be noted.

22 TEMPORARY BANK ACCOUNTS

A report by the Client Relationship Manager from West Yorkshire Pension Fund updated the Board on the number of temporary bank accounts created by the Fund to hold monies due to beneficiaries of the scheme.

RESOLVED

That the report be noted.

23 TRANSFERS OUT

A report by the Client Relationship Manager from West Yorkshire Pension Fund updated the Board on the West Yorkshire Pension Fund Transfers Out system.

In response to questions, the following comments were made:

- An Internal Disputes Resolution Procedure (IDRP) had been commenced for a scheme member who felt that they shouldn't have been allowed to transfer out, however all necessary checks had been completed. Ultimately, confirming the transfer out was appropriate.
- All requests for transfers out were taken very seriously and appropriate due diligence was exercised.

RESOLVED

That the report be noted.

24 EMPLOYER MONTHLY SUBMISSIONS UPDATE

This paper provided the Board with up-to-date information on Employer Monthly Submissions for the first quarter of the financial year 2021/22 (April to June inclusive).

RESOLVED

That the report on the employer monthly submissions for the first quarter of the financial year 2020/21 be noted.

25 ANNUAL REPORT AND ACCOUNTS 2020/21: EXTERNAL AUDIT UPDATE REPORT

Consideration was given to a report which offered an update of the audit work outstanding and findings from the work completed to date undertaken by the Council's External Auditors, Mazars, in giving their opinion on the Pension Fund Accounts and Annual Report.

The Board was advised that a compound of Covid-19 implications and staffing disruptions were cited by Mazars as contributing to the delay in the Audit accounts' sign off.

In response to questions, the following comments were made:

- The draft accounts were prepared using the most up to date accounting information available at the time, for example: 31st December valuation rolled forward for cash flow movements. By September all 31 March valuations had been received and on review, added £34 million to the asset value in the accounts.
- A decision for the Audit Committee, and subsequently Council, was on the horizon to determine if Lincolnshire County Council intended to be part of the national procurement process to appoint an external auditor. It was noted that the vast majority of the local government audit market was covered by a very limited amount of providers.

26 TRAINING NEEDS

The Board considered the standard report on its training needs.

Members of the Board had attended the recent Barnet Waddingham Autumn online seminar, feeling it covered all current issues particularly appreciating the Governance section. In addition, the Chairman noted that he'd attended a number of sessions including the Border to Coast conference, ESG training, Pensions Scheme Act. 2021 training and the Pensions Trustees Circle. A training session scheduled for February 2022 was arranged, covering valuations and responsible investment beliefs. A date would be confirmed shortly.

RESOLVED

That the report on the Board's training needs be noted.

27 WORK PROGRAMME

A report on the Board's work programme was submitted, which presented the items for consideration at future meetings.

RESOLVED

That the report on the work programme be approved.

CONSIDERATION OF EXEMPT INFORMATION

In accordance with Section 100 (A)(4) of the Local Government Act 1972, agenda item 9 has not been circulated to the press and public on the grounds that it is considered to contain exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended. The press and public may be excluded from the meeting of the consideration of this item of business.

28 INVESTMENT CONSULTANT TENDER AND APPOINTMENT RECOMMENDATION

Consideration was given to a report which summarises the recent Investment Management Consultancy Services tender exercise undertaken and provided a recommendation for the appointment commencing 1st January 2022.

RESOLVED

That the Investment Consultant Tender and Appointment Report be noted.

29 INTERNAL AUDIT OF LINCOLNSHIRE AND WEST YORKSHIRE PENSION FUNDS

Consideration was given to a report updated the Board on the internal audits that had been undertaken over the past year on the Lincolnshire Pension Fund and on the administration service provided by West Yorkshire Pension Fund.

RESOLVED

That the Internal Audit of Lincolnshire and West Yorkshire Pension Funds report be noted.

The meeting closed at 4:23 p.m.

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

Report to:	LGPS Local Pension Board
Date:	06 January 2022
Subject:	Pension Fund Update Report

Summary:

Summary:

This report updates the Board on Fund matters for the quarter ending 30 September 2021 and any other current issues.

The report covers:

1. TPR Checklist Dashboard and Code of Practice
2. Breaches Register Update
3. Risk Register Update
4. Asset Pooling Update
5. Budget and Business Plan Update

Recommendation(s):

That the Board consider and note the report.

Background

1. TPR Checklist Dashboard and Code of Practice

1.1 To assist in the governance of the Lincolnshire Fund, it assesses itself against the requirements of the Pension Regulator's (TPR's) code of practice 14 for public service pension schemes, as set out in a check list attached at appendix A. This is presented to the Committee and Board at each quarterly meeting, and any non-compliant or incomplete areas are addressed. This is seen as best practice in open and transparent governance.

1.2 There have been no changes since the last quarter's report. The areas that are not fully completed and/or compliant are listed below.

B12 – Knowledge and Understanding - Have the pension board members completed the Pension Regulator's toolkit for training on the Code of Practice number 14?

Amber – It is the intention that all PB and PC members carry this out, and provide copies of the completion certificate to the Pension Fund Manager. However, whilst all Board members have completed this training, due to the change in Pensions Committee membership following the May elections, certificates have not yet been received from the new Committee members. As set out in the training policy, members do have a six-month window to complete this training, which should therefore be completed by November. At the time of writing this report, all certificates had not been received.

F1 – Maintaining Accurate Member Data - Do member records record the information required as defined in the Record Keeping Regulations and is it accurate?

Amber - Scheme member records are maintained by WYPF, therefore much of the information here and in later questions relates to the records they hold on LCC's behalf. However, as the scheme manager, LCC is required to be satisfied the regulations are being adhered to. Data accuracy is checked as part of the valuation process and the annual benefits statement process. Monthly data submissions and employer training are improving data accuracy, however there are a number of historical data issues that are in the process of being identified and rectified.

F5 - Maintaining Accurate Member Data - Are records kept of decisions made by the Pension Board, outside of meetings as required by the Record Keeping Regulations?

Grey – not relevant as we do not expect there to be decisions outside of the PB. This will be monitored.

H7 - Maintaining Contributions - Is basic scheme information provided to all new and prospective members within the required timescales?

*Amber - New starter information is issued by WYPF, **when they have been notified by employers**. This is done by issuing a notification of joining with a nomination form, transfer form and a link to the website. However, because the SLA relates to when notified, it does not necessarily mean the legal timescale has been met which is within 2 months of joining the scheme. The monthly data returns and employer training are improving this process.*

K7 – Scheme Advisory Board Guidance - Members of a Local Pension Board should undertake a personal training needs analysis and put in place a personalised training plan.

Remaining Amber - Annual Training Plan of Committee shared with PB and all PB members invited to attend.

2. Breaches Reporting - update

2.1 The Fund, and those charged with its governance, has a requirement to log and, where necessary, report breaches to the Pensions Regular. The Breaches Register attached

at appendix B shows those breaches logged over the last twelve months. Since the last quarter end, one breach has been added, detailed below:

- **Late payment of contributions** – a separate paper is presented to the Board at paper 10, updating the Board on all monthly employer contribution breaches over quarter.

2.2 Prudential, the Fund's AVC provider, provided an update on their situation in a letter to all Pension Managers dated 12 November 2021, which is attached at appendix C. The message from them was that the situation had improved significantly over the last four months, with most claims being processed in around five working days from receipt of all required information. One area that we are still awaiting, at the time of writing, is the year end accounts information for inclusion in the notes to the Pension Fund Accounts, which will be mentioned in paper 10 later in this agenda.

3. Risk Register Update

3.1 The risk register is a live document and updated as required. Any changes are reported quarterly, and the register is taken annually to Committee to be approved and to the Board to be considered.

3.2 The Board recommended the addition of a new risk to be added to the register in relation to the AVC provider. This has been added as risk O16, and is set out below:

Risk Description	Current Risk Score (Copy and paste the white dot onto the matrix)	Target Risk Score (Copy and paste the white dot onto the matrix)	Assurance Status (High, Substantial, Limited, Low)	Assurance - Direction of Travel (Improving, Static, Declining)	Actions
AVC provider does not meet the regulatory requirements or timescales agreed in service provision.			Limited		Existing <ul style="list-style-type: none"> • Regular reporting and monitoring from WYPF • FRC Regulated company appointed • Client service manager relationship • Pension Board oversight New & Developing <ul style="list-style-type: none"> •

3.3 There have been no other changes in risk level on the register, and there are currently no red risks.

3.4 The Committee approved the addition of risk O16 as shown above at their meeting in December.

4. Asset Pooling Update

- 4.1 The Board were informed of the personnel changes at Border to Coast in an email on 15 November. Two colleagues will be leaving in the coming months. Given that the company has been live for over three years, some turnover is to be expected.
- 4.2 The Chief Investment Officer (CIO), Daniel Booth, joined in mid-2018 and has been key in developing our investment capabilities and building a strong and capable team. He is leaving to establish a UK-based family office for a wealthy individual seeking a CIO to manage his assets. John Harrison, who was the interim CIO before Daniel, and continued to provide support and advice to Border to Coast since leaving, has been appointed as the interim CIO.
- 4.3 The Head of Real Estate, Tim Sankey, will be leaving to join a specialist real estate manager closer to his home in Surrey. The Global Real Estate offering, which is managed by Paul Campbell, is expected to launch as planned in H1 2022. Work on the UK Fund operational model will continue as planned, whilst the recruitment for a replacement Head of Property will be later in the year. It is not expected that the launch of the UK Fund will be materially impacted.
- 4.4 Rachel Elwell, CEO of Border to Coast, has had discussions with Fund Officers, Joint Committee members and S151 Officers to reassure all Partner Funds on the management of these departures.

Sub Funds

- 4.5 The Border to Coast Multi Asset Credit (MAC) Sub-fund launched in November, and the Fund transitioned the 3.5% of the Fund held with Pimco and invested an additional 1.5% of the Fund into this new vehicle. The transition went smoothly, and although the final review of the transition is yet to be received, it is expected that it was within the expected range of costs, if not slightly below.
- 4.6 Since the last Board meeting, Border to Coast has held a number of workshops and meetings with officers and advisors covering quarterly external and internal funds, property, alternatives, tax risk, and Responsible Investment.
- 4.7 In addition, Border to Coast have held RI Briefing sessions for the Joint Committee, ahead of the Joint Committee meeting held in November.

Joint Committee Meetings

- 4.8 The latest Joint Committee meeting was held on 23 November. Minutes of the Joint Committee meeting held on 30 September, and the agenda items for the latest meeting were shared with Committee and Board members. Below are the agenda items for the meeting and the minutes will be circulated with the next JC agenda:

- Covid 19
- Joint Committee Budget
- Responsible Investment Policies Annual Review 2021
- Summary of Investment Performance and Market Returns
- Border to Coast Asset Transfer Planning - 2022-2025
- UK Equity Alpha - Manager Search Outcome
- Alternatives Series 2 and Climate Opportunities
- CEO Report
- Performance Reports
 - UK Listed Equity
 - Overseas Developed Equity
 - Emerging Markets Equity
 - UK Listed Equity Alpha
 - Global Equity Alpha
 - Sterling Investment Grade Credit
- Update on Emerging Matters

4.9 Any questions or comments on the papers should be directed to Cllr Strenziel, Chairman of the Pensions Committee, who can raise them at the next meeting.

4.10 The next Joint Committee is being held on 8 March 2022.

Senior Officers Meetings

4.11 As part of the regular communications between Partner Funds and Border to Coast, senior officers (S151's) have bi-monthly calls with Rachel Elwell, CEO of Border to Coast. In addition to this, strategy meetings are held at various times throughout the year, to ensure that all parties are aligned.

4.12 A strategy meeting of the Senior Officers of the Partner Funds was held with Border to Coast on 23 November. The agenda covered the areas below:

- Recap on 2021/22
- Strategic plan 22-25 key development areas
- Strategic Risks
- 2022/23 Budget
- Future Strategic Developments
- Partner Fund only Session

Shareholder Matters

4.9 As the Board are aware, there are two distinct roles that Lincolnshire County Council has with Border to Coast: the shareholder and the investor (or client). The Pension Committee's role is that of investor and is represented at the Joint Committee by the Chairman of the Pensions Committee. The shareholder role is undertaken by the

Executive Director of Resources and fulfils the role as set out in the Shareholder Agreement, which was approved by Full Council in February 2017.

4.10 Ahead of any shareholder approvals, officers, including S151 officers, work closely with Border to Coast to ensure full understanding of the resolution, the impact of it not being approved and discuss this with the JC ahead of any resolution being sent for approval. An informal shareholder meeting is also held on the date of each Joint Committee meeting.

4.11 There has been one shareholder resolutions since the last report, which Lincolnshire voted in favour of:

- To approve the reappointment of Cllr Holtby to the Partner Fund NED position.

5. Budget and Business Plan Update

5.1 The Pension Fund budget and business plan were brought to the Board at the March 2021 meeting. The paragraphs below update the Board on the budget position to 30 September, and to highlight any areas on the key tasks from the business plan for 2021/22 where progress is behind expectations.

5.2 The budget for operating the Lincolnshire Pension Fund for 2021/22 plus actual costs incurred up to the end of September 2021 are set out in the table below, with additional narrative at 6.3:

	Original Budget 2020/21 £'000	Q2 Actuals 2020/21 £'000	Variance Budget vs. Actuals Q2 £'000
<u>Administration Costs</u>			
- Charge from Shared Services Administrator	1,050	1,206	156
- Other	1	0	-1
<u>Investment Management Expenses</u>			
- Management Fees	7,422	-706	-8,128
- Performance Related Fees	1,500	-23	-1,523
- Other Fees	791	21	-770
<u>Oversight and Governance Costs</u>			
- Contracted Services	425	126	-299
- Recharge of Actuarial Services	-174	-27	147
- Recharge from Administering Authority (inc. Staffing Costs)	249	125	-124
- Border to Coast Governance Costs	280	300	20
- Other Costs	27	4	-23
	11,571	1,026	-10,545

5.3 Administration Costs: The annual administration charge from West Yorkshire Pension Fund has been received and paid. This was slightly higher than the original

budget, due to a smaller refund from 2020/21 than originally expected and more members than originally forecast.

Investment Management Costs: Most of the Fund's investments are made via pooled vehicles. The costs for these investments are mainly accounted for annually in March. For directly charged fees, billing from managers is in arrears. There is one invoice outstanding for quarter four 2020/21, which was accrued at year end, plus further invoices for quarter one and two fees which will be received in future months.

Costs incurred on management fees reflect the size of the portfolio and investment returns. Costs in this area are very difficult to predict, particularly when markets are volatile.

Oversight and Governance Costs: Contracted services, the recharge of actuarial services and the recharge from the admin authority are spread throughout the financial year. It is expected that these budgets will be fully utilised by year end. The governance charge from Border to Coast has been paid, this was £20k more than originally budgeted for.

Pension Fund Business Plan Update

- 5.4 The key tasks set out in the Business Plan are set out below, with narrative to explain whether it is on track or otherwise:

Subject	21/22 Actions	Progress
Pensions Committee and Board meetings	Ensure all papers are prepared and presented in a clear and concise manner. Ensure that all relevant matters are reported to the Committee and /or Board. Induction and training for any new Committee members following the election or new Board members following the end of current terms of office.	On-going – all meetings held as expected. Initial 1:1 training completed for all new members. Some mandatory TPR training outstanding.
Asset Pooling with Border to Coast	Continued partnership with Border to Coast to develop appropriate sub-funds for investment and ensuring appropriate oversight and governance of the company. Expected investment into Multi Asset Credit sub-fund (Q3) and further development of the	On-going – new investments made and further investments in the pipeline. Multi Asset Credit investment made as expected.

	property and alternative propositions.	
Administration Service (including employer data quality)	Continued partnership and oversight of West Yorkshire Pension Fund (WYPF) in the delivery of the administration service and to improve the reporting on data quality and management information.	On-going – generally a good administration service provided. Work underway to progress the reporting.
Annual Report and Accounting	A detailed project plan has been put in place, built on experience from previous years and updated for new requirements. On-going engagement with the external auditors to ensure all requirements can be met in a timely manner.	Delayed receipt of opinion due to a number of factors including issue with the Council's accounts. Pension Fund accounts ready by deadline with an unqualified opinion received in mid-December.
Responsible Investment (RI)	Continued information and training for the Committee and Board to understand RI. Working closely with external managers and Border to Coast to ensure that it is embedded across all investment decisions.	On-going – improved stewardship reporting, close working with Border to Coast and Stewardship Code Statement submitted and awaiting FRC approval.
Investment Consultancy Services Tender	Call off the national framework to recommend an investment consultancy appointment to the October meeting of the Committee.	Completed – current Investment Consultant re-appointed w.e.f. 1 January 2022.
Work by the Scheme Advisory Board (SAB)	Participate in projects were possible and respond to any actions required – e.g. Good Governance Review, data quality.	Progress delayed due to other priorities in SAB.
Employer Accounting	Work with employers, the Actuary and WYPF to ensure employers understand their choices, accurate and timely data is sent to the Actuary and	On-going – all reports issued as required to date.

	accounting reports are received and understood by employers.	
Staffing and Structure Review	A full review of workloads across the team will be undertaken to review the staffing levels and structure to ensure it is appropriately resourced to meet current and future requirements.	Review undertaken and additional resource requirement identified, and approved by Executive Director of Resources. Currently working with HR to agree the job description and grade.

5.5 As can be seen from the table above, year-to-date most key tasks are on track or completed, except for work with the Scheme Advisory Board and the year-end accounts sign off, where delays are beyond the control of the Pensions team.

Conclusion

6.0 The Fund Update report is a quarterly report to the Pension Board, to provide an update on Pension Fund matters and any current issues.

Consultation

a) Risks and Impact Analysis

Yes

b) Risks and Impact Analysis

The Pension Fund has a risk register which can be obtained by contacting the author of this report.

Appendices

These are listed below and attached at the back of the report	
Appendix A	TPR Checklist Dashboard
Appendix B	Breaches Register
Appendix C	Prudential Update Letter 12 November 2021

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 Jo Ray, Head of Pensions, who can be contacted on 01522 553656 or jo.ray@lincolnshire.gov.uk.

The Pension Regulator's and Scheme Advisory Board Compliance Checklist

Summary Results Dashboard

No	Completed	Compliant
Reporting Duties		
A1	G	G
A2	G	G
A3	G	G
A4	G	G
Knowledge & Understanding		
B1	G	G
B2	G	G
B3	G	G
B4	G	G
B5	G	G
B6	G	G
B7	G	G
B8	G	G
B9	G	G
B10	G	G
B11	G	G
B12	A	A
Conflicts of Interest		
C1	G	G
C2	G	G
C3	G	G

No	Completed	Compliant
C4	G	G
C5	G	G
C6	G	G
C7	G	G
C8	G	G
C9	G	G
C10	G	G
C11	G	G
Publishing Scheme Information		
D1	G	G
D2	G	G
D3	G	G
D4	G	G
Risk and Internal Controls		
E1	G	G
E2	G	G
E3	G	G
E4	G	G
E5	G	G
E6	G	G
E7	G	G
E8	G	G

No	Completed	Compliant
Maintaining Accurate Member Data		
F1	A	A
F2	G	G
F3	G	G
F4	G	G
F5		
F6	G	G
F7	G	G
F8	G	G
F9	G	G
F10	G	G
F11	G	G
Maintaining Contributions		
G1	G	G
G2	G	G
G3	G	G
G4	G	G
G5	G	G
G6	G	G
G7	G	G
G8	G	G
G9	G	G

No	Completed	Compliant
Providing Information to Members and Others		
H1	G	G
H2	G	G
H3	G	G
H4	G	G
H5	G	G
H6	G	G
H7	G	A
H8	G	G
H9	G	G
H10	G	G
H11	G	G
H12	G	G
H13	G	G
Internal Dispute Resolution		
I1	G	G
I2	G	G
I3	G	G
I4	G	G
I5	G	G
I6	G	G
I7	G	G

No	Completed	Compliant
I8	G	G
I9	G	G
Reporting Breaches		
J1	G	G
J2	G	G
J3	G	G
Scheme Advisory Board Requirements		
K1	G	G
K2	G	G
K3	G	G
K4	G	G
K5	G	G
K6	G	G
K7	A	A
K8	G	G
K9	G	G
K10	G	G
K11	G	G
K12	G	G
K13	G	G
K14	G	G
K15	G	G

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Lincolnshire Pension Board Record of Breaches

Date	Category (e.g. administration, contributions, funding, investment, criminal activity)	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to breach	Reported / Not reported (with justification if not reported and dates)	Outcome of report and/or investigations	Outstanding actions
Dec 20	Contributions – updates	Late payments	Cashflow issues, data not provided to WYPF to action – e.g. retirements	Made aware and fined in some circumstances	Not reported – not material to LPF		Continuing training and communications with employers Review of process
March 21	Contributions – updates	Late payments	Cashflow issues, data not provided to WYPF to action – e.g. retirements	Made aware and fined in some circumstances	Not reported – not material to LPF		Continuing training and communications with employers Review of process
May 21	Administration - AVC's	Prudential - issues with new IT systems causing late payments of pensions	Retirees are unable to make decisions on their pensions due to late information and transfer of AVC pots from Prudential	Some explanation provided but not regular in updates. Additional resources appointed. Latest information is that it is expected to be BAU by the end	Reported 24/5	TPR noted and require update following end of June	Update breach details following end of June.

Appendix D

Date	Category (e.g. administration, contributions, funding, investment, criminal activity)	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to breach	Reported / Not reported (with justification if not reported and dates)	Outcome of report and/or investigations	Outstanding actions
				of June (initially April).			
June 21	Contributions – updates	Late payments	Cashflow issues, data not provided to WYPF to action – e.g. retirements	Made aware and fined in some circumstances	Not reported – not material to LPF		Continuing training and communications with employers Review of process
Sept 21	Contributions – updates	Late payments	Cashflow issues, data not provided to WYPF to action – e.g. retirements	Made aware and fined in some circumstances	Not reported – not material to LPF		Continuing training and communications with employers Review of process

THE PENSION MANAGER / TRUSTEE OF
LINCOLNSHIRE PENSION FUND

Our Reference:
SOA/CP

Plan name: LGAVC

Plan number: L607

12 November 2021

Dear Pension Manager / Trustee

Scheme Annual Revision and Statement of Accounts

We wrote to you in June regarding some of the challenges we were experiencing with our customer service performance and the production of the Scheme Annual Revision and Statement of Accounts.

In general, our servicing performance has improved significantly over the last 4 months, particularly the reduction in call waiting times and abandonment rate within our customer telephony team. There have also been reductions in turnaround times in our claims team, with most claims being processed in around 5 working days from receipt of all required information. We continue to work with payrolls to resolve outstanding contributions.

We had hoped to produce the Scheme Annual Revision and Annual Statement of Accounts by the end of August, however due to our backlog and contribution processing difficulties, this has not been possible. I am sorry that you are continuing to experience these delays, and want you to know we are committed to completing this process as soon as possible, and hope to issue them at the end of November 2021.

Yours faithfully



Tracy Harris
Customer Service Director

Calls may be monitored or recorded for quality and security purposes.

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

Report to:	LGPS Local Pensions Board
Date:	06 January 2022
Subject:	Responsible Investment Update

Summary:

This paper provides the Board with an update on Responsible Investment activity during the second quarter of the financial year 2021/22 (July to September inclusive).

Recommendation(s):

That the Board note the report and and discuss the responsible investment activity undertaken during the quarter.

Background

- 1.1 This report provides a summary of various Responsible Investment (RI) activities that have been undertaken on behalf of the Fund during the quarter, and updates the Board on any new initiatives relating to good stewardship. This includes work by Local Authority Pension Fund Forum (LAPFF), Border to Coast Pensions Partnership (BCPP) and Robeco, who are appointed by Border to Coast to provide voting and engagement services.
- 2.0 Local Authority Pension Fund Forum Membership**
- 2.1 The Fund participates in the Local Authority Pension Fund Forum. LAPFF acts to promote the highest standards of corporate governance to protect the long-term value of local authority pension fund assets. The Forums current engagement themes include: climate risk, social risk, governance risk and reliable accounting risk. They also act through liaising with others and by responding to consultations.

Outcomes Achieved through LAPFF Company Engagement

2.2 The latest LAPFF engagement report can be found on their website at www.lapfforum.org. Some highlights from their work during the quarter include:

- During this quarter LAPFF undertook engagements with 82 companies, covering: human rights, social risk, climate change reporting and environmental risk, and general governance and board issues. This included engagements with:
 - Shell, ArcelorMittal, National Grid and SSE on climate related issues, Rio Tinto on recognising the financial impacts of its social challenges, and Anglo American and BHP on their commitment and engagement with local communities affected by their operations;
 - HSBC and Standard Chartered, in the banking sector, on their commitments to climate targets and how they will work with their clients on this matter; and
 - Sainsbury's through attendance at their 'Plan for Better' event and AGM, where they posed questions on the company's packaging practices, electric vehicles, supply chains, climate change and 'say on climate'.
- Collaborative engagements included: co-signing a letter to 50 companies in sectors highly exposed to physical climate risk asking them to adopt the expectations set out in the Institutional Investor Group on Climate Change guide on Investor Expectations of Companies on Physical Climate Risks and Opportunities.
- Consultation responses were submitted to a number of government consultations on carbon reduction, including: the Department for Transport's (DfT) 'Jet Zero' consultation on the strategy for net zero aviation and their consultation on a new carbon dioxide emissions regulatory framework. A response was also submitted to the consultation on ending the sale of new non-zero emission heavy goods vehicles.

2.3 Further details on their work during the quarter can be found in the quarterly engagement report. Members of the Board should contact the author of this report if they would like further information on the Forum's activities.

3.0 Border to Coast Pensions Partnership Activity

3.1 Border to Coast is the pooling company chosen by Lincolnshire Pension Fund. Border to Coast is a strong advocate of RI and believe that businesses that are governed well and run in a sustainable way are more resilient, able to survive shocks and have the potential to provide better financial returns for investors. As a representative of asset owners, they practice active ownership by holding companies and asset managers to account on Environmental, Social and Governance (ESG) issues that have the potential to impact corporate value. They

also use shareholder rights by voting at company meetings, monitoring companies, engagement and litigation.

3.2 Their approach to RI and stewardship is set out in their RI Policy and Corporate Governance and Voting Guidelines. These documents can be viewed on the Border to Coast website ([Border to Coast Sustainability](#)). They also publish a quarterly stewardship newsletter detailing the activity they have undertaken during the quarter. A copy of the report for the latest quarter can be found at on their website ([Quarterly Stewardship Report Q3 2021](#)). Highlights from their work during the quarter include:

- Publication of Border to Coast's first standalone Climate Change Policy, developed in collaboration with Partner Funds, and announcement of the commitment to achieve net-zero greenhouse gas emissions across all investments by 2050 or sooner, if possible. Border to Coast have also supported an Investor Position Statement on corporate net-zero transition plans, along with 54 other investors coordinated by the Institutional Investors Group on Climate Change (IIGCC).
- High level information on voting activity for the quarter across all Border to Coast funds.
- Engagement activity, which included 307 engagements carried out by: external managers appointed by Border to Coast; Robeco, as the Pool's engagement and voting manager; internal portfolio managers and by LAPFF.

4.0 Robeco Activity

4.1 In addition to the direct RI work undertaken by Border to Coast they have appointed Robeco to provide voting and engagement services. A copy of their quarterly activity report can be found on the Border to Coast website ([Robeco Quarterly Engagement Report Q3 2021](#)).

4.2 During the quarter Robeco have voted at 127 AGM's, the percentage of meetings where they have at least one vote against management is 59%. During the quarter they have engaged with companies on 60 occasions on topics including: corporate governance, environmental and social. This quarter also saw the launch a new engagement theme for Robeco on human rights due diligence.

5.0 Voting

- 5.1 To enable the Fund to fulfil its stewardship responsibilities as an active shareholder, the active equity managers are required to report on their voting on a quarterly basis.
- 5.2 Border to Coast has produced detailed proxy voting reports, which are attached at appendix A (Global Equity Alpha) and B (UK Listed Equities).
- 5.3 Please contact the author of this report if you wish to see further details on votes cast over the quarter.

Conclusion

- 6.0 This report brings to the Board information on the various Responsible Investment (RI) activities that have been undertaken on behalf of the Fund during the quarter.

Consultation

a) Risks and Impact Analysis

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

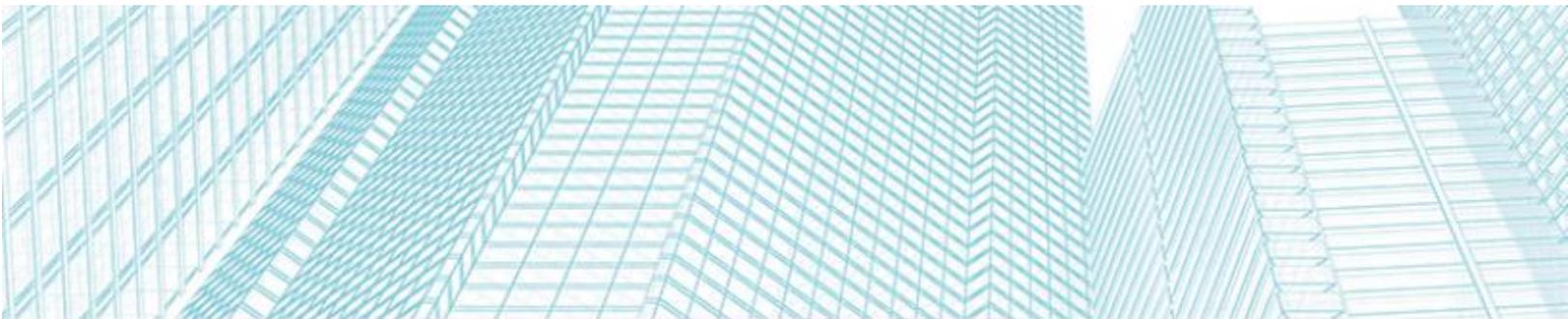
Appendices

These are listed below and attached at the back of the report	
Appendix A	Border to Coast Global Equity Alpha Voting Activity
Appendix B	Border to Coast UK Listed Equity Voting Activity

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 Claire Machej, Accounting, Investments and Governance Manager, who can be contacted on 01522 553641 or claire.machej@lincolnshire.gov.uk.



Proxy Voting Report

Period: July 01, 2021 - September 30, 2021

Votes Cast	220	Number of meetings	19
For	197	With management	192
Withhold	0	Against management	26
Abstain	0	Other	2
Against	23		
Other	0		
Total	220	Total	220

In 78% of meetings we have cast one or more votes against management recommendation.

General Highlights

Shaping Accountable Remuneration Committees

The tension surrounding executive pay is increasing year on year. Both shareholders as well as civil society at large are increasingly putting question marks behind certain corporate pay practices. Historically, shareholders have been mostly focused on aligning pay with performance, whereas broader stakeholders have focused on pay equity between executives and the broader workforce. This dynamic has changed slightly as the pandemic has brought the stark difference between the C-suite and front-line workers into sharp focus. During the 2021 proxy season, investors have increasingly called out incongruent behavior between executive pay and treatment of the broader workforce. As institutional investors and societal demands for executive pay become more aligned, the pressure on companies to change their historic practices is building.

Despite alignment between institutional investors and society there is one group of shareholders who form a roadblock on the road to reform – insiders. Many listed companies have large portions of their shares, or even dual share classes designed to keep control, in the hands of management, founders and other insiders. These insider shareholders water down strong independent opposition and aid in the vast majority of all ‘say on pay’ proposals comfortably passing. It can come as no surprise that average executive pay-levels have been steadily increasing despite social and shareholder uproar.

As changing these shareholding structures in the near term is unlikely, we can look at another way that could help circumvent these roadblocks. In most developed markets, boards assign pay setting responsibility to a select group of directors that form a Remuneration Committee. Specifically, this committee is responsible for setting the policy for the remuneration of the executive management, determining targets for performance-related pay schemes and determining the total individual remuneration package of each executive director. Since Remuneration Committees have the power to change remuneration practices, addressing the way these committees work can help catalyze change.

Shareholders have some degree of influence on the composition of the committee. It is essential to have a fully independent committee to ensure management cannot leverage its power in setting its own pay. Besides independence, director backgrounds might also strongly influence the kind of pay practices they approve. Many board directors are former, or current, executives themselves and as such might not share the same reference point for fair pay levels as the general public. This also means executives serving on Remuneration Committees are subject to a conflict of interest – if they are too outspoken on compensation at another company, they risk facing the same fate and worse outcomes themselves. Ensuring a diverse committee might help break historical habits and push for a more critical evaluation of common pay practices.

Another way to push for change is through direct dialogues with remuneration committees. Therefore, Robeco regularly engages with companies to give direct feedback on remuneration. These discussions help a remuneration committee translate voting results into actionable items for change. Remuneration committees often use the help of compensation consultants, who provide the committee with suggestions based on comparable companies. This common practice might counteract change as it helps to maintain a status quo that is no longer supported by many shareholders. It is therefore essential for remuneration committees to also have input from shareholders to be informed of changing demands. Closer collaboration with shareholders will prevent companies from unexpected shareholder dissent.

A last resort to influence a Remuneration Committee's behavior is to use voting rights to oppose reelection of committee members who have failed to meaningfully improve remuneration practices. Border to Coast uses this leverage when proposed changes are egregiously out of step with best practice or when the committee has not responded to persistent dissent.

As remuneration continues to be a contested item on the yearly AGM agenda, we believe shareholders will increasingly look at the roles of Remuneration Committees directly. This is in line with a broader shareholder movement to use director elections to voice concerns on a broad range of issues. We expect to see a more proactive approach of compensation committees to reach out to shareholders or else risk their position on the board altogether.

Diversity and Inclusivity

Diversity and inclusivity have increasingly become a hot topic in recent years, either as agenda items at AGMs, or in investors' engagement efforts with companies to help them address issues of social inequality in their organizations. The Me Too movement that was initiated in 2017 after sexual harassment and abuse of women in workplaces, and the Black Lives Matter Movement that exposed the lack of racial and ethnic equality in our societies, made investors realize that corporations must step up their efforts to promote diversity, equity, and inclusivity (DE&I). It is clear that gender or racial quotas in higher management and corporate boardrooms, remain important as the first step to promote diversity, but these alone are no longer enough to change the system and address our social and racial biases.

Companies should become more inclusive and reflect the communities they are a part of to ensure their long-term prosperity and competitiveness. A 2019 McKinsey report shows that inclusion matters, highlighting that even relatively diverse companies are facing challenges to increase inclusivity. Corporations should try to create work environments characterized by inclusive leadership, equality and fairness of opportunity, and freedom from bias and discrimination. Companies should uphold a zero-tolerance policy for discriminatory behavior, and ensure the representation of diverse talent. Companies should build a culture where all employees feel they can bring their whole selves to work, by supporting the formation of employee working groups with diverse/minority backgrounds. The same report shows that those diverse companies that do take those steps to build up inclusivity tend to outperform their peers financially.

Many shareholder advocates and investors are now focusing on the role corporations play in exacerbating racial and social inequalities in our societies. Historically, corporations have perpetuated societal inequalities through their corporate culture and behavior. For example, we have seen communities of color to be disproportionately affected by environmental damages caused by corporate polluters. In this year's AGM season, we saw resolutions submitted by shareholders asking from many major US banks to conduct racial equity audits to detect how their business activities might have "adverse impacts on non-white stakeholders and communities of color". The purpose of this proposal is to conduct an independent and objective evaluation of the effectiveness of the banks' internal and external actions in combatting systemic racism, and the impact of the banks' own policies related to mortgage lending, retail banking, and small business lending on communities of color. These proposals have become more important to ensure accountability of corporate purpose statements.

Diversity though has more aspects than only gender, race, or ethnicity. In December 2020, Nasdaq, the stock exchange, filed a request with the SEC to require its 3,300 listed companies to have at least one female board member and one board member who identifies as either an under-represented minority or LGBTQ, on a comply or explain basis. Corporate disability inclusion is also becoming a central aspect of the diversity and inclusivity dialogue. A 2018 report published by

Accenture shows that corporations that embrace best practices for employing people with disabilities have outperformed their peers. The report also noted that including people with disabilities in the workforce leads to increased innovation, higher productivity, and a more inclusive working environment. These dimensions of diversity are difficult to capture, and consequently hard to set specific targets for certain companies, for example because of the EU's General Data Protection Regulation - a strict set of privacy and security rules about the use of personal information. Nevertheless, this year saw shareholders asking more US companies to reveal diversity data about their workforces. Extra disclosure and measurable employee diversity data will allow investors to assess and have better oversight of the companies' diversity and inclusion efforts.

Over the next decades due to megatrends, such as climate change, there will be a global change in demographics, and our countries will become even more diverse. This change will have certain social effects, but also a substantial impact on labor markets and consumer trends. Corporations need to conduct an open dialogue with investors and governments to manage the resulting impacts. And though there are barriers, like data availability on specific DE&I targets, diversity should be approached more holistically, not aiming only to reach specific figures but aiming to enhance inclusion.

Voting Highlights

Alibaba Group Holding Ltd - 09/17/2021 - Cayman Islands

Proposal: Election of Directors

Alibaba Group Holding Limited, through its subsidiaries, provides technology infrastructure and marketing reach to merchants, brands, retailers, and other businesses to engage with their users and customers in the People's Republic of China and internationally.

At the company's annual general meeting (AGM) the spotlight might have been the election of only three directors, but our analysis covered broader governance concerns. We supported the election of the President of the Group and the one nominated by the Alibaba Partnership, a formal partnership agreement that was initiated by the founders of the Group in 2010. The Partnership is currently comprised of 36 members, 30 of whom are members of the Company's management and six of whom are appointed by an affiliate company. The Alibaba Partnership has the exclusive right to nominate and appoint up to a simple majority of members to the Company's board of directors. Currently 5 out of the 11 directors in the board are appointed by the Partnership, showcasing the existing limitations on minority shareholder rights.

We decided to oppose the election the executive vice chair of the Alibaba Group who serves as a member of the Remuneration Committee and as a chair of the Governance and Nomination Committee. We believe that key committees such as the nomination and remuneration committee should have a high degree of independence

Additionally, we opposed the election a director that serves as a CEO and president of a large communications company, while serving on a total of three public company boards. Understanding the scarcity of time, we believe that to fulfil the responsibilities of all those positions is not easily manageable, and the director in question might end up failing his fiduciary duties towards the shareholders.

Finally, we should mention that we are concerned by the lack of an independent chair or an independent lead, especially with the high number of affiliated/insider directors within the board. Though we understand that independent board leadership is not a common practice for Chinese companies, we encourage those companies that have an international shareholder base to work on moving closer to international best practices. We consider that having an independent chair would lead to better oversight of management's decisions and would serve minority shareholder' interests.

Disclaimer

Robeco Institutional Asset Management B.V. ('Robeco') distributes voting reports as a service to its clients and other interested parties. Robeco also uses these reports to demonstrate its compliance with the principles and best practices of the Tabaksblat Code which are relevant to Robeco. Although Robeco compiles these reports with utmost care on the basis of several internal and external sources which are deemed to be reliable, Robeco cannot guarantee the completeness, correctness or timeliness of this information. Nor can Robeco guarantee that the use of this information will lead to the right analyses, results and/or that this information is suitable for specific purposes. Robeco can therefore never be held responsible for issues such as, but not limited to, possible omissions, inaccuracies and/or changes made at a later stage. Without written prior consent from Robeco you are not allowed to use this report for any purpose other than the specific one for which it was compiled by Robeco.

Proxy Voting Report

Period: July 01, 2021 - September 30, 2021

Votes Cast	487	Number of meetings	29
For	453	With management	453
Withhold	0	Against management	34
Abstain	1		
Against	33		
Other	0		
Total	487	Total	487

In 66% of meetings we have cast one or more votes against management recommendation.

General Highlights

Shaping Accountable Remuneration Committees

The tension surrounding executive pay is increasing year on year. Both shareholders as well as civil society at large are increasingly putting question marks behind certain corporate pay practices. Historically, shareholders have been mostly focused on aligning pay with performance, whereas broader stakeholders have focused on pay equity between executives and the broader workforce. This dynamic has changed slightly as the pandemic has brought the stark difference between the C-suite and front-line workers into sharp focus. During the 2021 proxy season, investors have increasingly called out incongruent behavior between executive pay and treatment of the broader workforce. As institutional investors and societal demands for executive pay become more aligned, the pressure on companies to change their historic practices is building.

Despite alignment between institutional investors and society there is one group of shareholders who form a roadblock on the road to reform – insiders. Many listed companies have large portions of their shares, or even dual share classes designed to keep control, in the hands of management, founders and other insiders. These insider shareholders water down strong independent opposition and aid in the vast majority of all ‘say on pay’ proposals comfortably passing. It can come as no surprise that average executive pay-levels have been steadily increasing despite social and shareholder uproar.

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Voting Highlights

Vodafone Group plc - 07/27/2021 - United Kingdom

Proposal: Appointment of Auditor

Vodafone Group plc engages in telecommunication services in Europe and internationally.

Vodafone's annual meeting in July did not pose any extraordinary proposals, but it does provide a good example of the implementation of our principles around auditor best practices. Vodafone appointed a new auditor at the AGM of 2020. While under its previous auditor it only paid audit and audit-related fees, with the new auditor non audit related fees were also paid.

We believe that in order to ensure an auditor's independence it is important that fees paid for other services do not constitute a significant share of total fees paid to the auditor. We believe that if the auditor significantly relies on the income of these other services, it might create a conflict of interest. Since the auditor might not be inclined to perform the audit diligently and raise any issues which might put its relationship with its client for its other services at risk.

In order to avoid such conflict of interest we always examine the proportion of non-audit related fees to total fees paid to the auditor. In the case of Vodafone, the introduction of non-audit related fees last year did not immediately result in a vote against as the proportion was still deemed appropriate. However, this year audit fees decreased while other fees increased tipping the ratio above our threshold. Therefore we voted against the appointment of the auditor and the auditor's fees. Our approach is in line with the UK Corporate Governance Code.

Both the auditor (97.5%) and auditor fee (98.44%) proposals received the overwhelming support of shareholders at the AGM. It is good to note, however, that the opposition did increase by about 2% compared to earlier years. We are not disappointed with the vote result as we do not believe the current auditor is incapable of performing its duties independently, but we do hope the audit committee recognizes the signal of opposition and is reminded to reign in other fees paid to the auditor to avoid the creation of a persistent conflict of interest.

Ashtead Group plc - 09/16/2021 - United Kingdom

Proposal: Executive Remuneration Report and Policy

Ashtead Group plc, together with its subsidiaries, engages in the construction, industrial, and general equipment rental business in the United States, the United Kingdom, and Canada.

At the company's annual shareholder meeting that took place on September 16, we had the opportunity to cast our advisory vote on the annual remuneration report, but also to cast our binding vote on the remuneration policy that would be implemented over the next three years. Though the compensation committee provided reasonable disclosure and rationales on the changes in executives' remuneration policy and the structure of the remuneration report, we decided to not support any of the two remuneration related proposals for the reasons we explain in detail below.

The main reason behind our Against vote on the remuneration report was the excessive base salary increase of 18.5% for the finance director. Though we understand compensation committee's rationale behind their decision to this base salary adjustment, since there has been a significant growth in the business and the

responsibilities for the finance director have increased, we were concerned with the size of the increase, that coincides with a significant proposed increase in long term incentive opportunity. We are concerned with the compounding effect that high fixed pay raises can have to the quantum of the overall compensation. We view these changes with skepticism, since it is preferably for companies that have the ambition to grow over the next years, to translate that into performance linked rewards, avoiding in that way excessive compensation when performance has fallen below expectations.

Regarding our decision to not support the remuneration policy, we were conscious of the remuneration committee's proposed changes. Mainly we were concerned with committee's decision to grant the Performance Share Plan (PSP) at increased levels over the next 3 years. Specifically, for FY2021/22 the PSP would be at the level of 250% of base salary for the chief executive and 200% for the finance director (vs typical grant levels of 200% and 150%), and for FY2022/23 was suggested to reach a maximum opportunity of 350% of base salary for the chief executive and 225% of base salary for the finance director. The suggested base salary increase for the finance director that was proposed in the remuneration report, in combination with the above suggested increases, would lead to a significantly increased outcome for the overall compensation level regardless of changes in executive performance.

Additionally, we were concerned with the introduction of the Strategic Plan Award. This is a significant one-off award that would be granted in FY2021/22 (350% of base salary for the chief executive and 250% of base salary for the finance director) based on performance against performance targets that are measured in the final year of the performance period only. We consider that this plan would exceed the typical long term incentive opportunity available to the Company's UK market cap peers, thus we didn't support this proposal.

Disclaimer

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

Report to:	LGPS Local Pensions Board
Date:	06 January 2022
Subject:	Pensions Administration Report

Summary:

This is the quarterly report of the Fund's administrator, West Yorkshire Pension Fund.

Yunus Gajra, Assistant Director (Finance, Administration and Governance) from WYPF, will update the Board on current administration issues.

Recommendation(s):

That the Board note the report.

Background

1.0 Performance and Benchmarking

1.1 WYPF uses workflow processes developed internally to organise their daily work with target dates and performance measures built into the system. The performance measures ensure tasks are prioritised on a daily basis, however Team Managers have the flexibility to re-schedule work should time pressure demand.

1.2 The table below shows the performance against key areas of work for the period 1 July 2021 to 30 September 2021.

KPI's for the period 01.07.21 to 30.09.21						
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT	AVERAGE TIME TAKEN
AVC In-house (General)	49	20	49	85	100	1.18
Change of Address	313	10	302	85	96.49	2.19
Change of Bank Details	54	10	50	85	92.59	3.52
DWP request for Information	2	20	2	85	100	5.5
Death Grant Nomination Form Received	460	20	350	85	76.09	11.39
Death Grant to Set Up	24	5	22	85	92.31	4.08
Death In Retirement	142	5	127	85	89.87	3.94
Death In Service	3	5	3	85	100	1
Death on Deferred	11	5	11	85	100	3
Deferred Benefits Into Payment Actual	237	5	221	90	93.25	1.64
Deferred Benefits Into Payment Quote	271	35	250	85	92.25	11.42
Deferred Benefits Set Up on Leaving	198	20	127	85	64.79	32.19
Divorce Quote	49	20	46	85	94.07	13.02
Enquiry	4	5	4	85	100	1
General Payroll Changes	106	10	104	85	98.11	1.12
Initial Letter Death in Service	3	5	3	85	100	1
Initial letter Death in Retirement	142	5	135	85	95.07	2.18
Initial letter Death on Deferred	11	5	11	85	100	1.91
Monthly Posting	916	10	852	95	93.01	2.65
NI adjustment to Pension at State Pension Age	14	20	14	85	100	17.5

Payment of Spouses & Child Benefits	80	5	77	90	96.25	2.54
Pension Estimate	117	10	86	75	73.75	8.89
Pension Saving Statement	1	20	1	100	100	1
Phone Call Received	1072	3	1046	95	97.57	1
Refund Actual	113	10	111	95	98.23	1.33
Refund Quote	202	35	201	85	99.5	1.23
Retirement Actual	196	3	190	90	96.94	1
Spouse Potential	4	20	4	85	100	13
Transfer In Actual	19	35	18	85	94.74	8.74
Transfer In Quote	35	35	34	85	97.14	2.8
Transfer Out Payment	21	35	18	85	85.71	15.48
Transfer Out Quote	85	20	74	85	87.06	9.12
Update Member Details	630	20	630	100	100	1

Comment – The KPI for Death Grant Nomination Form Received has not been met due to the high volume of forms received from members across all funds since the start of the ABS & DBS production. Update of records is low priority as the form is on the members record so in the event of death this would be picked up. All outstanding forms have now been processed.

Comment – The KPI for Deferred Benefits Set Up on Leaving has not been met this month as this area of work was stockpiled so staff could help other teams to get priority work done which was needed to get the Annual Allowance calculations produced by the deadline. Work on deferred benefits has now started.

Comment - The KPI for Pension Estimate has not been met this month due to the high volume of pension estimate requests across all funds due to the ABS production.

2.0 Scheme Information

2.1 Membership numbers in the Lincolnshire Fund are as follows:

Numbers	Active	Deferred	Undecided	Pensioner	Frozen
LGPS	23,166	25,371	714	25,514	2,500
Percentage of Membership	29.98	32.84	0.92	33.02	3.24
Change from Last Quarter	+300	-204	+171	+275	+54

2.2 Age Profile of the Scheme

Groups													
Status	U20	20-25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	61-65	66-70	70+	TOTAL
Active	228	1,560	1,599	1,998	2,575	2,826	3,400	3,850	3,075	1,684	300	72	23,167

2.3 Employer Activity - During 1 July 2021 to 30 September 2021

New Academies and Education Trusts	3
New Town and Parish Council	1
New Admission Bodies	1
Total of New Employer	5
Employers Exited	1
Total Numbers of employers	300

3.0 Member and Employer Contact

3.1 Over the quarter April to June we received **2** online customer responses.

Over the quarter July to September **132** Lincolnshire member's sample survey letters were sent out and **16 (12.2%)** returned:

Overall Customer Satisfaction Score:

July to September 2020	October to December 2020	January to March 2021	April to June 2021	July to September 2021
94.9%	82.1%	86.8%	81.7%	96.9%

Appendix A – Customer Surveys

3.2 Employer Training

Over the quarter 1 July 2021 to 30 September 2021 we held the following webcasts which were attended by employers across all four Funds that WYPF administer:

- Understanding final pay
- Final pay – 'the deep dive'
- Overview of the LGPS
- The ill-health process
- Processing pension blocks and quarantines

4.0 Internal Disputes Resolution Procedures

4.1 All occupational pension schemes are required to operate an IDR. The LGPS has a 2-stage procedure. Stage 1 appeals, which relate to employer decisions or actions, are considered by a person specified by each employer to review decisions (the 'Adjudicator'). Stage 1 appeals relating to appeals against administering authority decisions or actions are considered the Pension Fund Manager. Stage 2 appeals are considered by WYPF.

Stage 1 appeals against the fund

One appeal currently outstanding.

Date of appeal	Reason for appeal	Current position /Outcome	Date decision letter sent
17/06/2021	Appeal against the decision not to allow a late transfer in.	Appeal turned down. Satisfied that the correct procedure had been followed in accordance to the discretionary policy in deciding to turn down a late request for transfer.	17/08/2021
03/08/2021	Appeal against the decision of who the recipients of a death grant should be.	Request acknowledged – 04/08/2021. IDR report received from Member Services Manager – 09/08/2021.	

Stage 1 appeals against scheme employers

Two appeals are currently outstanding.

Date of appeal	Reason for appeal	Current position /Outcome	Date decision letter sent
02/12/2020	Appeal against being refused an ill health pension.	Referred to Serco as the scheme employer. 2nd medical review being arranged. Serco confirmed that the case is still open due to issues in obtaining medical records – 19/08/2021.	
28/04/2021	Appeal against being refused an ill health pension	Referred to Lincoln College as the scheme employer. Member contacted WYPF on 24/08/2021 regarding the IDR process. From this call it was established that the member is still employed. Lincoln College should therefore have turned down the appeal as no	

		pensions decision was made. Currently querying with Lincoln College for confirmation whether the appeal was turned down.	
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Stage 2 appeals

Two appeals are currently outstanding.

Date application received	Reason for appeal	Current position/outcome	Date decision letter sent
07/06/2021	Appeal against transfer out being allowed to proceed.	IDRP acknowledged – 25/06/2021. Decision letter drafted – 21/09/2021.	
08/06/2021	Appeal against decision re ill health retirement.	No action taken until 29/09/2021. Consent form sent to member – 29/09/2021.	

Ombudsman

No cases

5.0 Administration Update

5.1 Prudential

During the period 1 July to 30 September 2021, 530 members retired from Lincolnshire Pension Fund. There were 13 retirements with AVCs:

- July 21 – 2 retirements with AVCs – payment received for all cases
- August 21 – 4 retirements with AVCs – payment received for all cases
- September 21 – 7 retirements with AVCs – payment has been received for 5 cases and we are waiting for payment for 2 cases but these were requested in October.

5.2 Employer Work

During this period WYPF worked on 6 new Academies/Prime location schools and 7 new admission bodies.

5.3 Staffing

WYPF has undertaken a recruitment campaign to replace staff who have retired or left as well as recruiting to new posts. A number of appointments have been made

with some still to be made. A new recruitment campaign to recruit four Senior Pensions Officers is currently underway.

Appendix B – Structure Flowchart

5.4 Audits undertaken by Bradford Councils Internal Audit:

a) **Life Existence (Life certificates)**

It is audit's opinion that the standard of control of identified risks in the system is **good**.

The audit review has determined that most of the risks examined were found to be effectively managed. The control environment is largely as expected but would benefit from some enhancement to support the achievement of key business objectives.

Internal Audit made 3 recommendations for improvement which Managers are currently looking at implementing.

One of the recommendations was that Lincolnshire Pension Fund needed to be moved onto the annual high risk run to capture those pensioners meeting the criteria that need a life certificate. Due to the success of the Tell Us Once death registration service which covers Local Government pensioners and also the very successful monthly mortality screening which covers all UK pensioners, the high risk category will only be sent to pensioners living abroad.

The current number of Lincolnshire Pension Fund pensioners who live abroad and will receive a high risk life certificate is 330, which is 1.32% of the total number of Lincolnshire pensioners. The exercise to send these out will be implemented by the end of the year.

6.0 **Current Technical Issues**

See Appendix C.

7.0 **Web Registrations**

The number of members registered for online member web are:

Active	7,757	33.48%
Deferred	5,774	22.76%
Pensioner	5,205	20.40%

8.0 Shared service Budget

8.1

WYPF SHARED SERVICES	2021/22 BUDGET £000	2021/22 FORECAST PD06 £000	2021/22 VAR BGT - PD06 FAV (ADV) £000
Accommodation	365	422	-57
Actuary	168	50	118
Computer	485	576	-91
Contingency	0	0	0
Employees	5,936	5,575	361
Internal Recharge	-784	-768	-16
Other Running Costs	165	144	21
Transaction Costs	0	0	0
Printing & Stationery	529	518	11
Strategy	0	0	0
TOTAL EXPENDITURE	6,864	6,517	347
Charge to WYPF Account	-4,528	-3,881	-647
Other Income	-36	-90	54
Shared Service Income	-2,300	-2,546	246
TOTAL INCOME	-6,864	-6,517	-347
Member number	467,795	470,865	
Cost per member	14.67	13.84	

8.2 Cost per member

Lincolnshire LGPS	CLIENT NO	ADJ MEMBER No OCT 2021	2021/22 FORECAST PD06 £000	COST PER MEMBER
Lincolnshire LGPS	8	77,297	£1,069,790	£13.84

8.0 Awards

WYPF has been shortlisted by **LAPF** under the following categories:

- Good Governance Award
- Scheme Administration Award

Winners will be announced at a ceremony in London on 15 December 2021.

Conclusion

WYPF and LPF continue to work closely as shared service partners to provide an efficient and effective service to all stakeholders within the Lincolnshire Pension Fund.

Consultation

a) Risks and Impact Analysis

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

Appendices

These are listed below and attached at the back of the report	
Appendix A	Customer Surveys
Appendix B	Structure Flowchart
Appendix C	Current Technical Issues

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 Yunus Gajra, Assistant Director for Finance, Administration and Governance - West Yorkshire Pension Fund, who can be contacted on 01274 432343 or yunus.gajra@wypf.org.uk.

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Customer Survey Results - Lincolnshire Members (1st July to 30th September 2021)

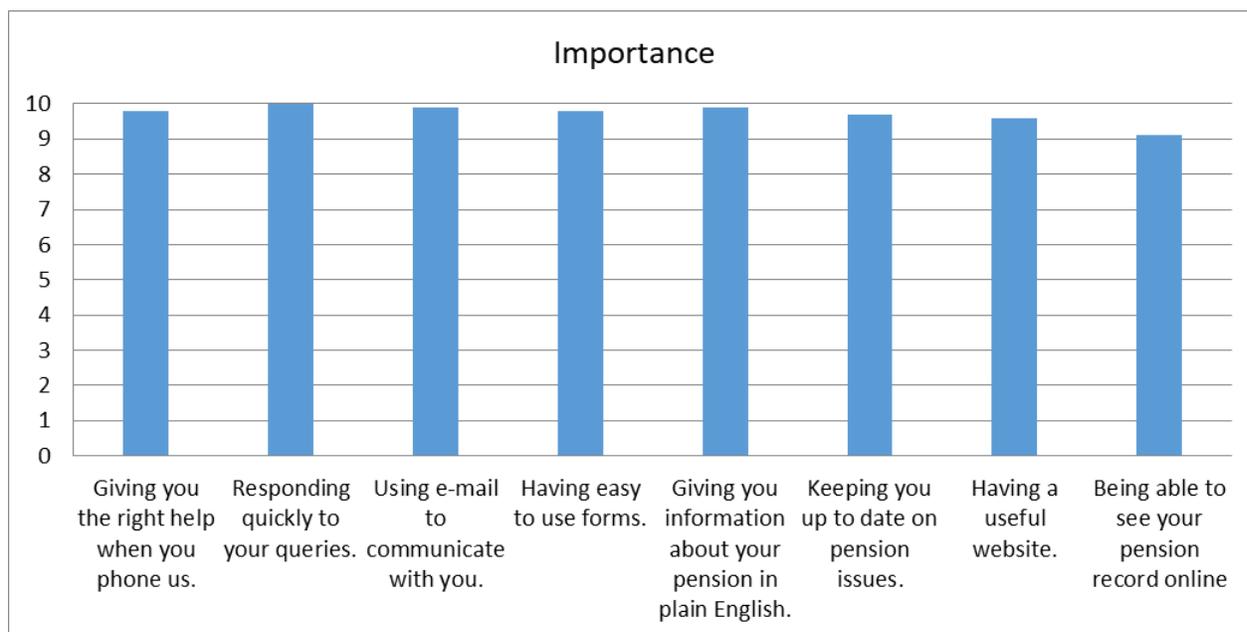
Over the quarter July to September we received **2** online customer responses.

Over the quarter July to September **132** Lincolnshire member's sample survey letters were sent out and **16 (12.2%)** returned:

Overall Customer Satisfaction Score;

July to September 2020	October to December 2020	January to March 2021	April to June 2021	July to September 2021
94.9%	82.1%	86.8%	81.7%	96.9%

The charts below give a picture of the customers overall views about our services;



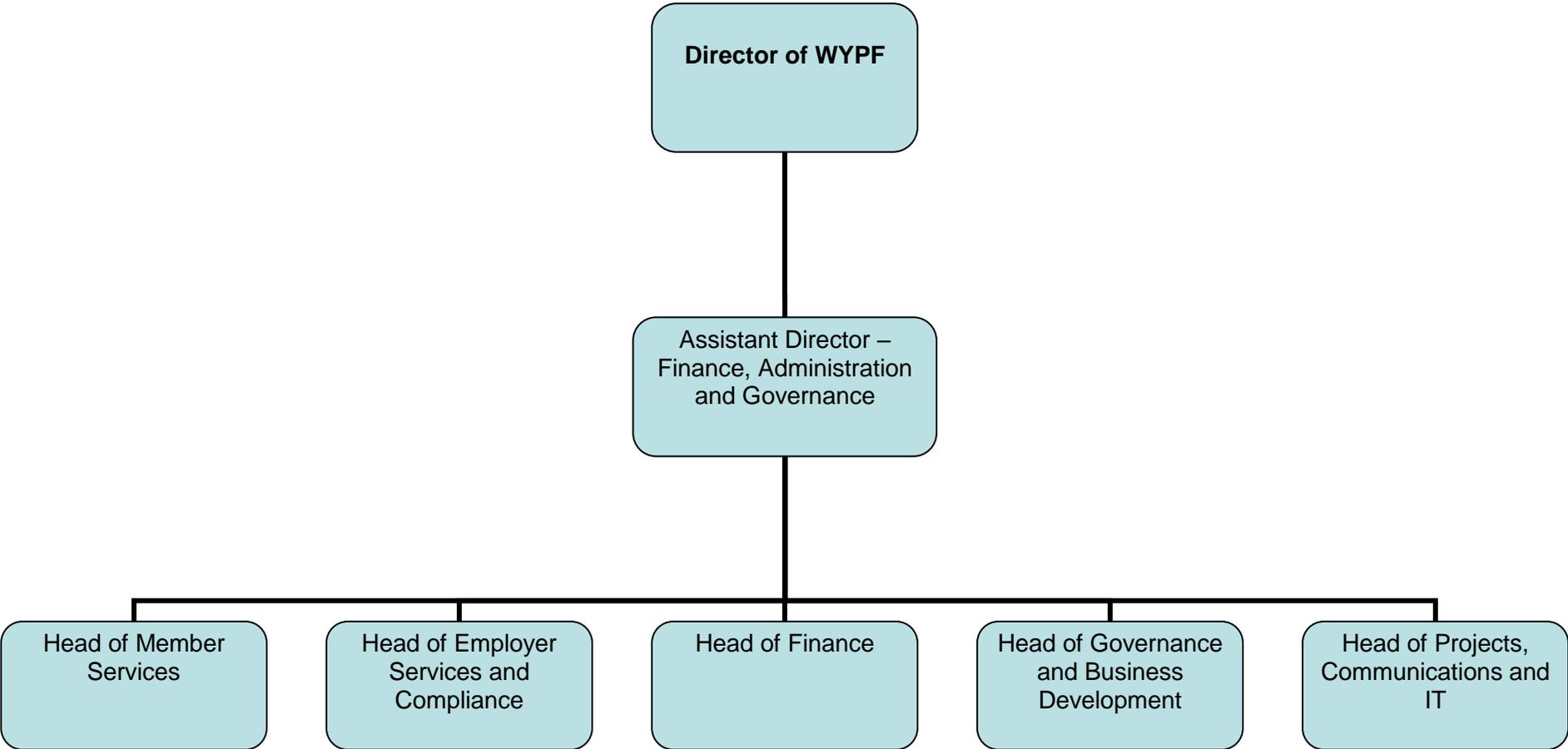
Sample of positive comments:

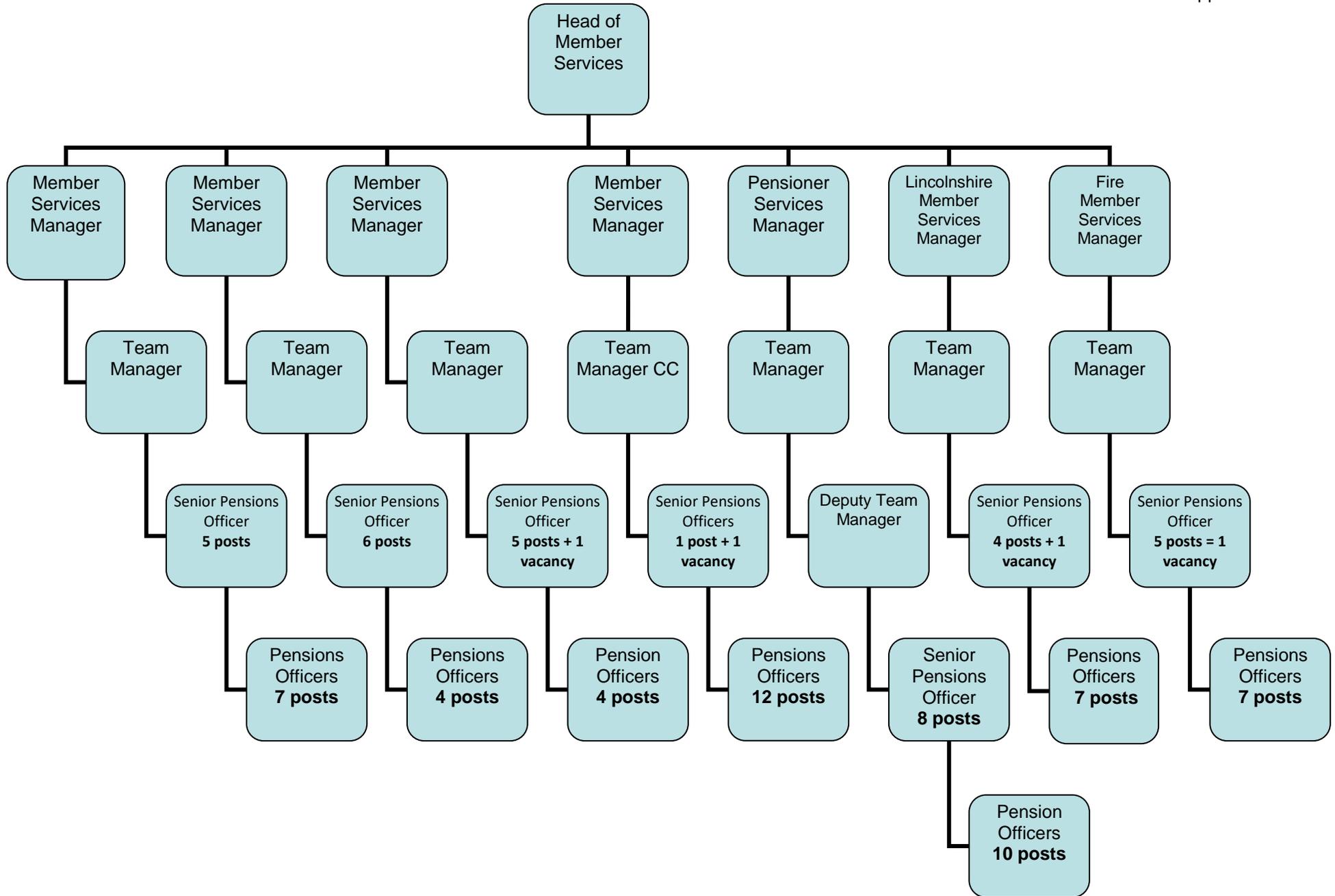
Member Number	Comments
8042833	Very informative and helpful. My birth and marriage certificate lost in post, person who dealt with in Bradford was so helpful and understanding and would like to say big thank you, think his name was Alan.
8135485	Did exactly what I asked you to do, on hold for a while but all sorted in one call.
8089167	Helpful and information. All the ladies who I spoke to on phone was helpful. I felt valued.
8072501 Online	Very efficient, helpful & friendly team. : Very pleased with all the prompt email responses, friendly service, and helpful staff.

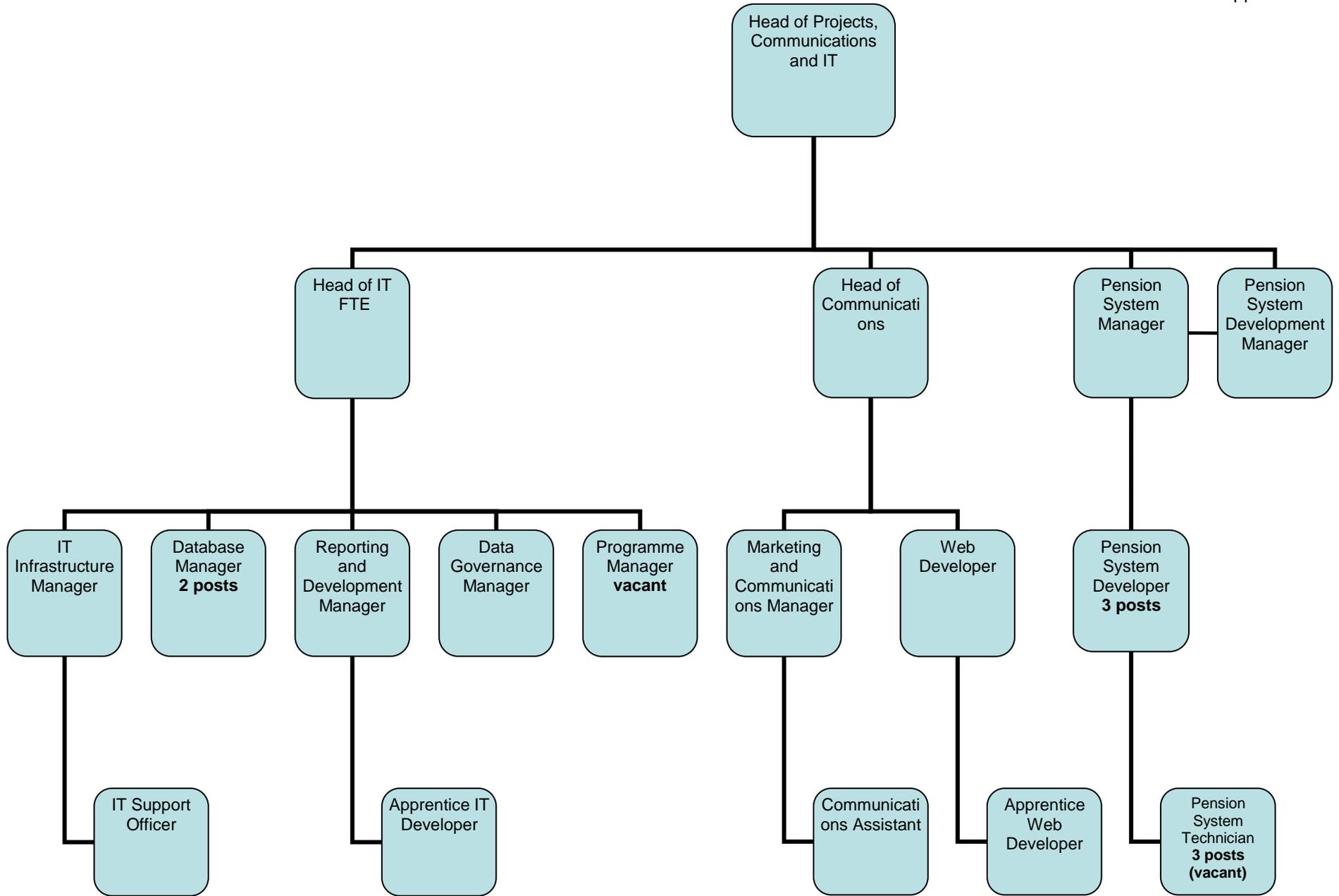
Complaints/Suggestions:

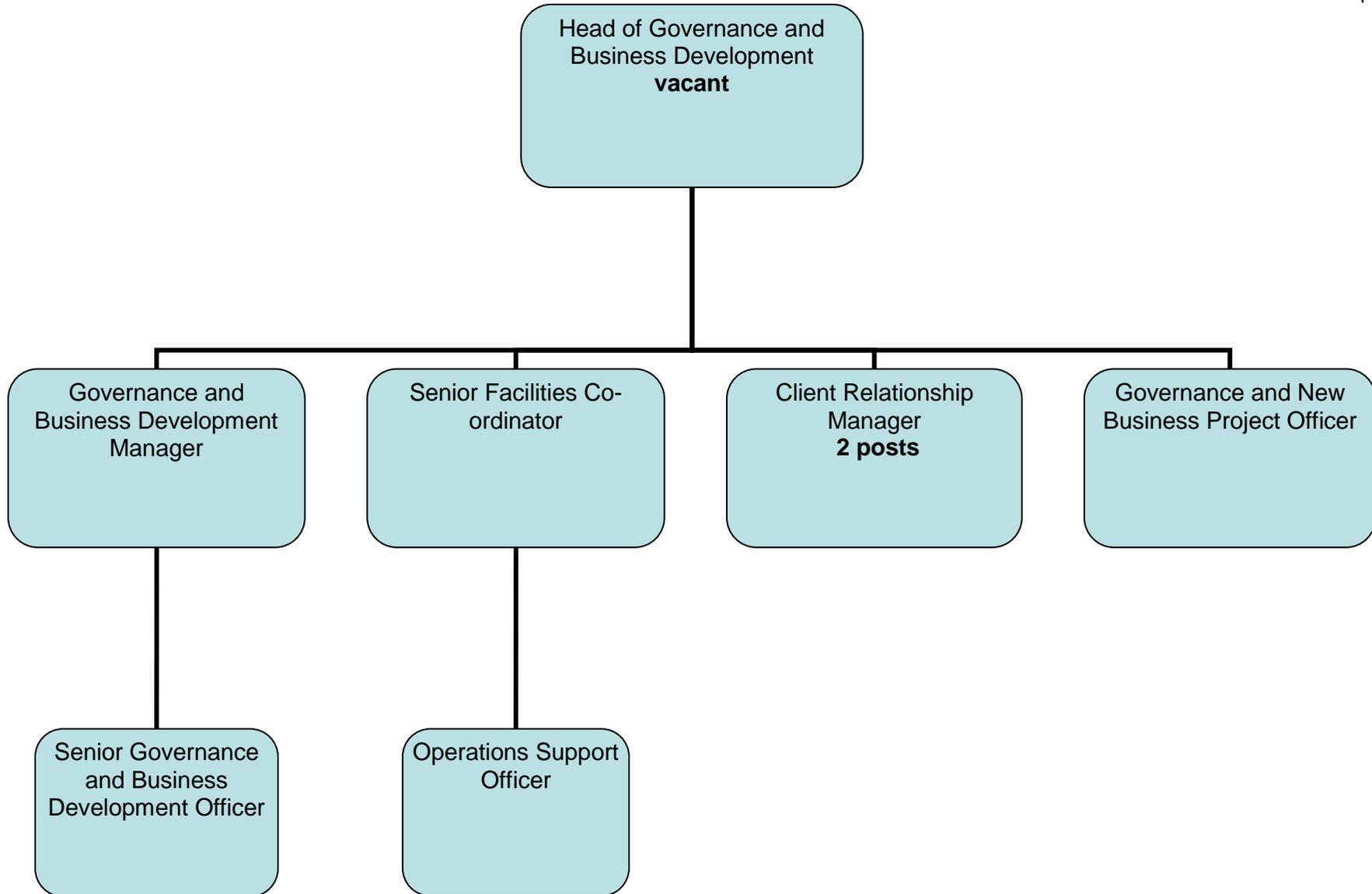
Member Number	Comments	Summary of Acknowledgement Letter Sent to Member
None		

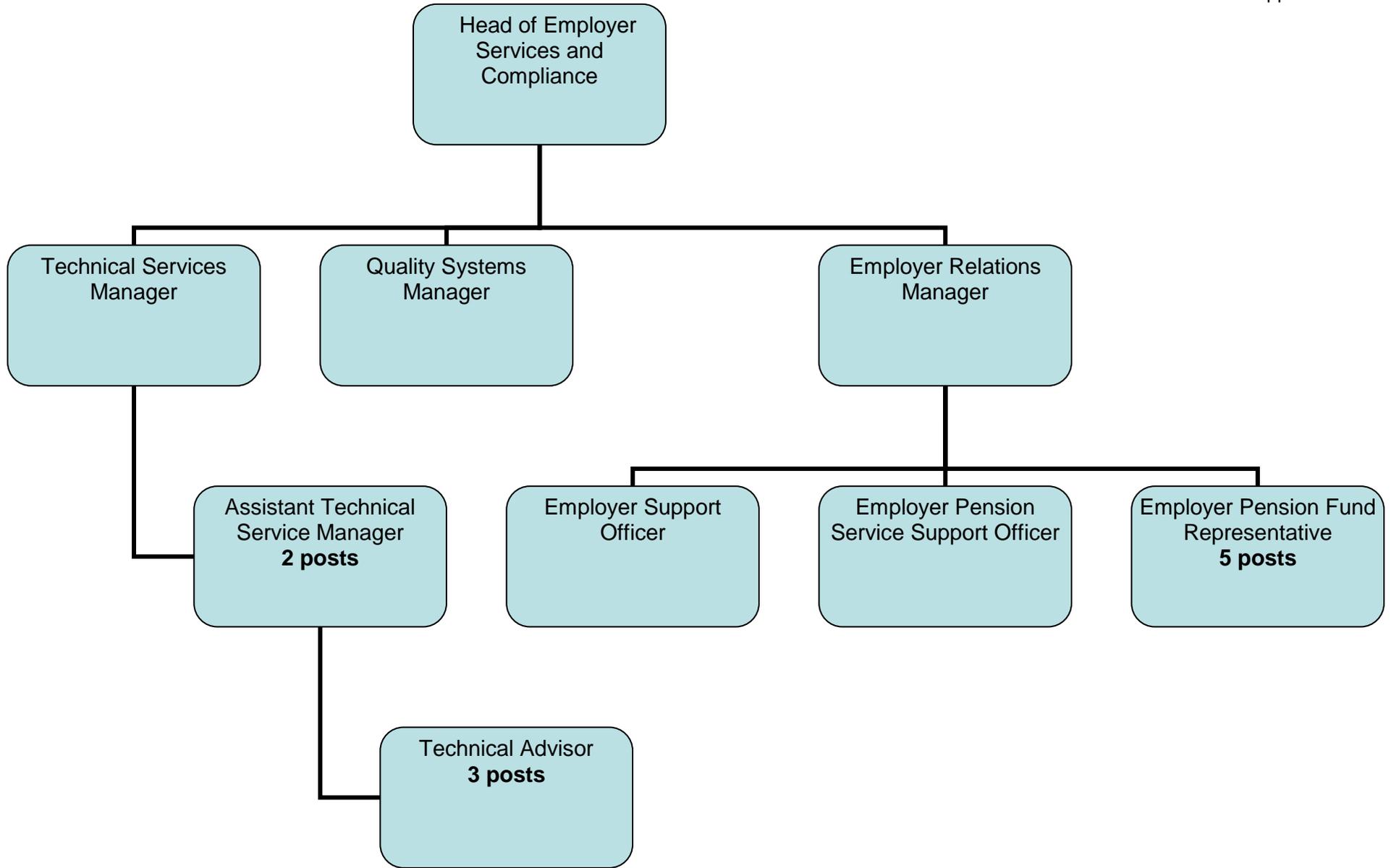
West Yorkshire Pension Fund

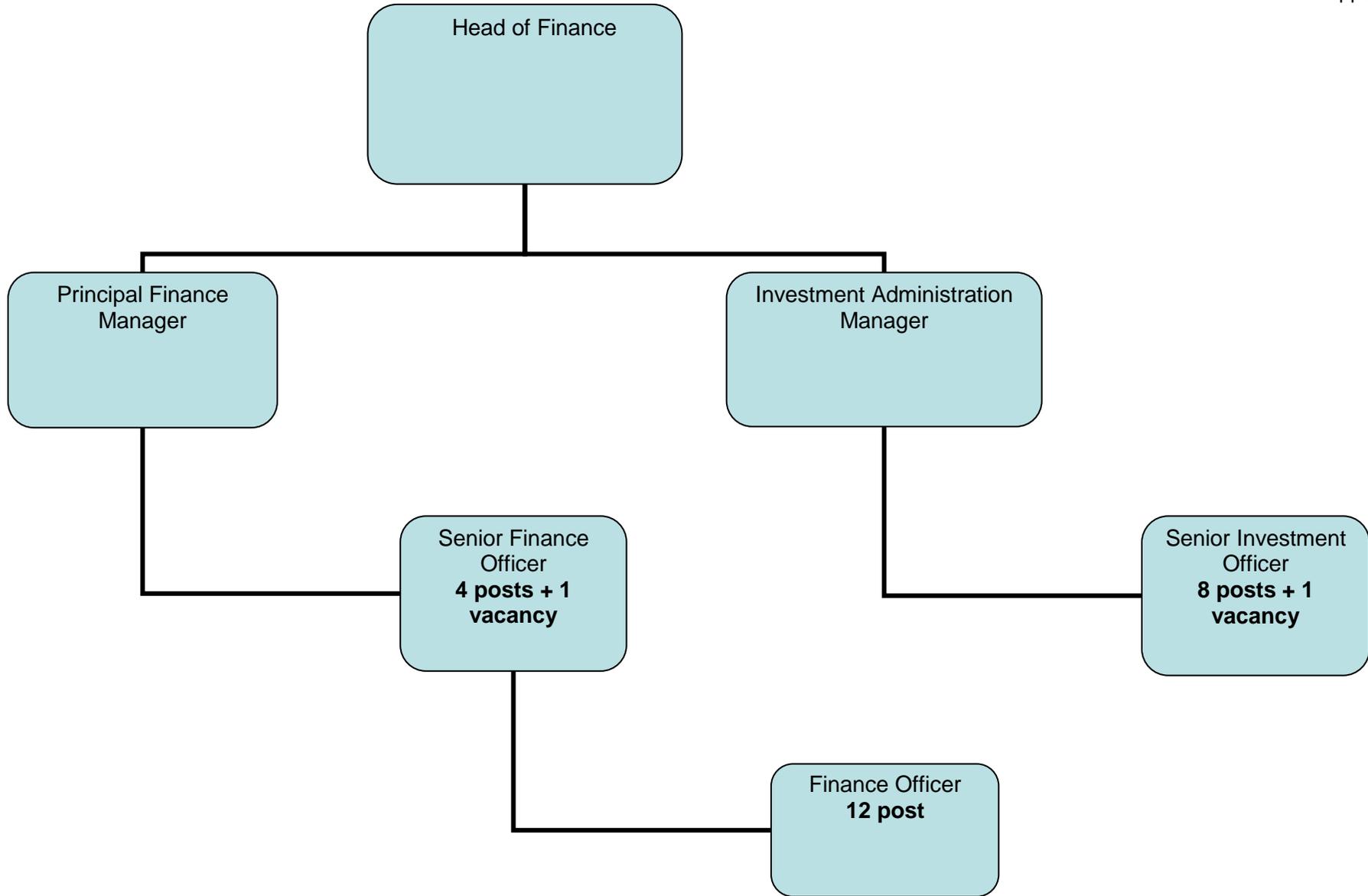












Current Technical Issues

MHCLG publishes data on local authority exit payments in England

On 2 July 2021, MHCLG published Local authority exit payments (first estimates) covering payments made by English authorities in 2019-20 and 2020-21. This is the first summary of the exit payment data submitted by councils. It will be followed by a further publication in the coming weeks. The data shows the average exit payment made in 2020-21 across English local authorities was £26,000.

Pension Scheme Pays reporting: information and notice deadlines

On 20 July 2021, HM Revenue and Customs (HMRC) published a policy paper and draft regulations proposing to extend the mandatory scheme pays deadline for members whose pension input amount is retrospectively changed.

The proposal has been made because of the McCloud remedy, where members annual allowance position for a previous tax year may be retrospectively changed. Though, HMRC confirms that the proposal will not be restricted to just these cases.

The proposal will extend the scheme pays deadline where:

- the administrator gives information to the member about a change to the pension input amount on or after 2 May in the year following that in which the relevant tax year ends, and before the end of the six-year period beginning with the end of the tax year, and
- as a result of the change, the member qualifies to elect for mandatory scheme pays.

In these cases, it is proposed that the member must give the scheme pays election the earlier of:

- within three months from being given the information about the change
- before the end of the six-year period beginning with the end of the relevant tax year.

In other cases, the deadline remains 31 July in the year following that in which the tax year ends.

Consequently, the draft regulations also propose amending the deadline by which the administrator must report and pay the charge to HMRC. It is proposed that administrators will need to report the charge on the Accounting for Tax return for the quarterly period following that in which the administrator receives the scheme pays election (though schemes will continue to be able to include the charge on a return for an earlier period). This proposal will apply to all scheme pays elections (not just those resulting from a retrospective change).

It is intended that the changes will commence on 6 April 2022 with retrospective effect to 6 April 2016.

Public Service Pensions and Judicial Offices Bill

On 19 July 2021, HM Treasury formally introduced to Parliament the Public Service Pensions and Judicial Offices Bill.

The Bill makes provision to rectify the unlawful age discrimination identified by the McCloud judgment.

For the LGPS, Chapter 3 of Part 1 confirms which members will be in scope and what service is 'remediable'. Enabling legislation will allow for scheme regulations to be changed to implement the McCloud remedy.

The Bill is now awaiting its second reading in the House of Lords on 7 September 2021.

Governance and Administration Survey 2020–21 results

TPR published the results from the Public Service Pension Scheme Governance and Administration Survey 2020-21 on 1 July 2021.

The survey was conducted online between January and March 2021 and aims to track governance and administration practices among public service pension schemes. The 2020-21 survey also included new questions on response to the pandemic, pensions dashboards and, for LGPS respondents, action taken in relation to climate-related risks and opportunities.

The survey found little change since 2019 for the key processes that TPR monitors as indicators of performance. Two-thirds of LGPS administering authorities who responded to the survey had all six processes in place. The six key processes are:

- have a documented policy to manage board members' conflicts of interest
- have access to the knowledge, understanding and skills needed to properly run the scheme
- have documented procedures for assessing and managing risk
- have processes to monitor records for accuracy and completeness
- have a process for resolving contribution payment issues
- have procedures to identify, assess and report breaches of the law.

The results also show improvements in risk management processes, cyber controls and the proportion of members receiving their annual benefit statement on time. Unsurprisingly, most schemes identified implementing the McCloud remedy as a significant risk. Governance has generally stood up well given the unique challenges the last year has presented.

LGA responds to dashboard staging Call for Input

LGA's response to the Pensions Dashboards Programme Staging Call for Input can be viewed on their website.

GAD transactional data requirements

The Government Actuary's Department (GAD) has confirmed that it requires administering authorities in England and Wales to provide the transactional data set out in the Pension fund transactions briefing note issued in September 2016. HM Treasury is currently consulting on changes to the cost control mechanism. GAD expects the transactional data requirements to evolve once this consultation has closed and changes to the cost control mechanism have been decided.

The briefing note issued in September 2016 confirms that GAD will treat the pre April 2014 Scheme, the post-March 2014 main section and the post-March 2014 50/50 section as if these were individual periods of pension scheme membership.

The briefing note covers the types of income and expenditure that will need to be split to achieve this.

LGA responds to consultation on the discount rate methodology

The LGA has responded to HM Treasury's (HMT's) Public service pensions:

Consultation on the discount rate methodology. The LGA response confirms:

- The interests of Scheme employers are the long-term stability of employer contributions and a downward pressure on costs.
- The SCAPE discount rate is used to set actuarial factors in the LGPS and can have an indirect impact on employer contribution rates as a result of the LGPS cost control mechanism. The continued use of the SCAPE rate in the cost control mechanism does not truly reflect LGPS employer costs.
- The LGA preference to adopt the Social Time Preference Rate because it will produce a discount rate that is more affordable.
- Support for the proposal to align the timing of the discount rate reviews with the quadrennial public service pension scheme valuation cycle because this will contribute to improved stability.

SAB responds to HMT consultation on the cost control mechanism

The Scheme Advisory Board (SAB) (England and Wales) has responded to HMT's Public service pensions: cost control mechanism consultation. In the response SAB states that:

- the SAB operates a separate cost management process that already functions as an 'economic check'
- including only reformed scheme costs will be difficult to achieve in the LGPS because the underpin relates to the legacy scheme but will increase the reformed scheme benefits of some members
- widening the corridor to 3 per cent would mean that scheme changes would be more significant if there is a breach
- the SCAPE discount rate as an economic measure is not appropriate for the LGPS and that a measure that takes into account actual discount rates in operation would be more appropriate.

Interim response to new code of practice consultation

The Pensions Regulator (TPR) has published an interim response to the new code of practice consultation. Responses to the consultation included around 10,000 individual answers. TPR has issued the interim response to allow time to consider these responses and to incorporate code content arising from the Pension Schemes Act 2021 in the new code.

TPR does not have a firm publication date for the new code, but it is unlikely to become effective before summer 2022.

Pensions dashboards update

Visit the Pensions Dashboards Programme website to keep up with latest developments. Some of the recent announcements and publications include:

- Seven major data providers signed up for initial testing phase
- Pensions dashboards blogs covering early connection and how pensions dashboards fit into the wider MaPS vision of improving understanding and outcomes.

MHCLG becomes DLUHC

On 19 September 2021, the Government announced that the Ministry of Housing, Communities and Local Government (MHCLG) will become the Department for Levelling Up, Housing and Communities (DLUHC).

Also, in the last reshuffle, Luke Hall MP (Thornbury and Yate) left Government. Luke Hall was the minister responsible for the LGPS in England and Wales. The Government is yet to confirm which minister will take over this responsibility.

LGA responds to 'nudge' consultation

The LGA responded to the DWP's consultation 'Stronger nudge to pensions guidance' on 2 September 2021.

Between 9 July and 3 September 2021, the DWP consulted on draft regulations requiring occupational pension schemes to 'nudge' members in certain situations towards obtaining guidance from Pensions Wise (see Bulletin 212).

The LGA's response raised concerns about:

- the practicality of requiring schemes to book Pension Wise appointments on behalf of members
- whether the DWP considered members who hold different types of benefits under a pension scheme when drafting the regulations.

Treasury responds to Committee's report on public service pensions

On 2 September 2021, HM Treasury responded to the report on public service pensions from the House of Commons Committee of Public Accounts.

The Committee published the report on 11 June 2021 and made six conclusions alongside recommendations for each one (see Bulletin 211).

HM Treasury agrees with five of the recommendations and sets out how it will take these forward. It has already announced most of the actions (such as consulting on the SCAPE discount rate methodology). Additionally, HM Treasury will:

- commission other government departments for analysis of the latest participation data for each public service scheme
- work with departments to standardise data collection on participation rates, including whether it could be broken down by member characteristics
- ask departments to update it on measures they are taking to improve participation among specific groups
- write to the Committee with an update in six months on the work to implement the McCloud judgment and to resolve the issues with the cost control mechanism
- write to the Committee by the end of 2021 with an assessment of how it is meeting the objectives of the 2014 /15 pension reforms.

HM Treasury disagreed with the Committee's conclusion that Treasury has done little to identify and manage the stark differences in average pensions between genders and other groups. It argues that such differences are a function of past differences in earnings rather than in differences in pension provision itself.

Update on governance and administration survey

TPR has confirmed to us that it intends to conduct the next public service pension scheme governance and administration survey towards the end of 2022.

The last survey was conducted online between January and March 2021, the results were published on 1 July 2021 (see Bulletin 212).

PDP appoints Capgemini to supply central digital architecture

The Pensions Dashboards Programme (PDP) announced on 6 September 2021 that they have appointed Capgemini to supply the central digital architecture for pensions dashboards. Capgemini, who will work in partnership with Origo, will deliver the pensions finder service, consent and authorisation service and governance register.

PLSA publishes ‘an employer’s guide to talking about workplace pensions’

On 15 September 2021, to coincide with Pension Awareness Day, the Pensions and Lifetime Savings Association (PLSA) published an employer’s guide to talking about workplace pensions.

The guide provides background on what employers (and pension schemes) can and cannot say with the intention of helping them navigate the advice / guidance boundary.

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

Report to:	LGPS Local Pensions Board
Date:	06 January 2022
Subject:	West Yorkshire Pension Fund Presentation - Working with Employers

Summary:

This paper introduces a presentation from West Yorkshire Pension Fund on how they work with employers.

Ammie McHugh, Employer Relations Manager, from West Yorkshire Pension Fund will update the Board on employer relations matters.

Recommendation(s):

That the Board is asked to note the report and presentation.

Background

- 1.1 Lincolnshire Pension Fund operate a shared service partnership with West Yorkshire Pension Fund for the delivery of administration services to the Fund. The Board receives regular update reports from West Yorkshire on the administration service.
- 1.2 Today the Board will receive a presentation from Ammie McHugh (Employer Relations Manager) on how West Yorkshire work with employers.
- 1.3 The presentation will give the Board an update on employer relation matters. It will cover:
 - Employer Relations Team Update and Activity
 - Employer Training
 - Scheme Leavers
 - Pre-Retirement Courses
 - Employer Engagement Forum

1.4 A copy of their presentation is included at Appendix A.

Conclusion

2.1 West Yorkshire Pension Fund deliver administrative services to the Fund through a shared service agreement.

2.2 Today's presentation aims to provide the Board with an update on how West Yorkshire work with employers to ensure they meet the requirements placed upon them as an employer within the local government pension scheme.

Consultation

a) Risks and Impact Analysis

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

Appendices

These are listed below and attached at the back of the report	
Appendix A	West Yorkshire Pension Fund Working with Employers Presentation

Background Papers

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

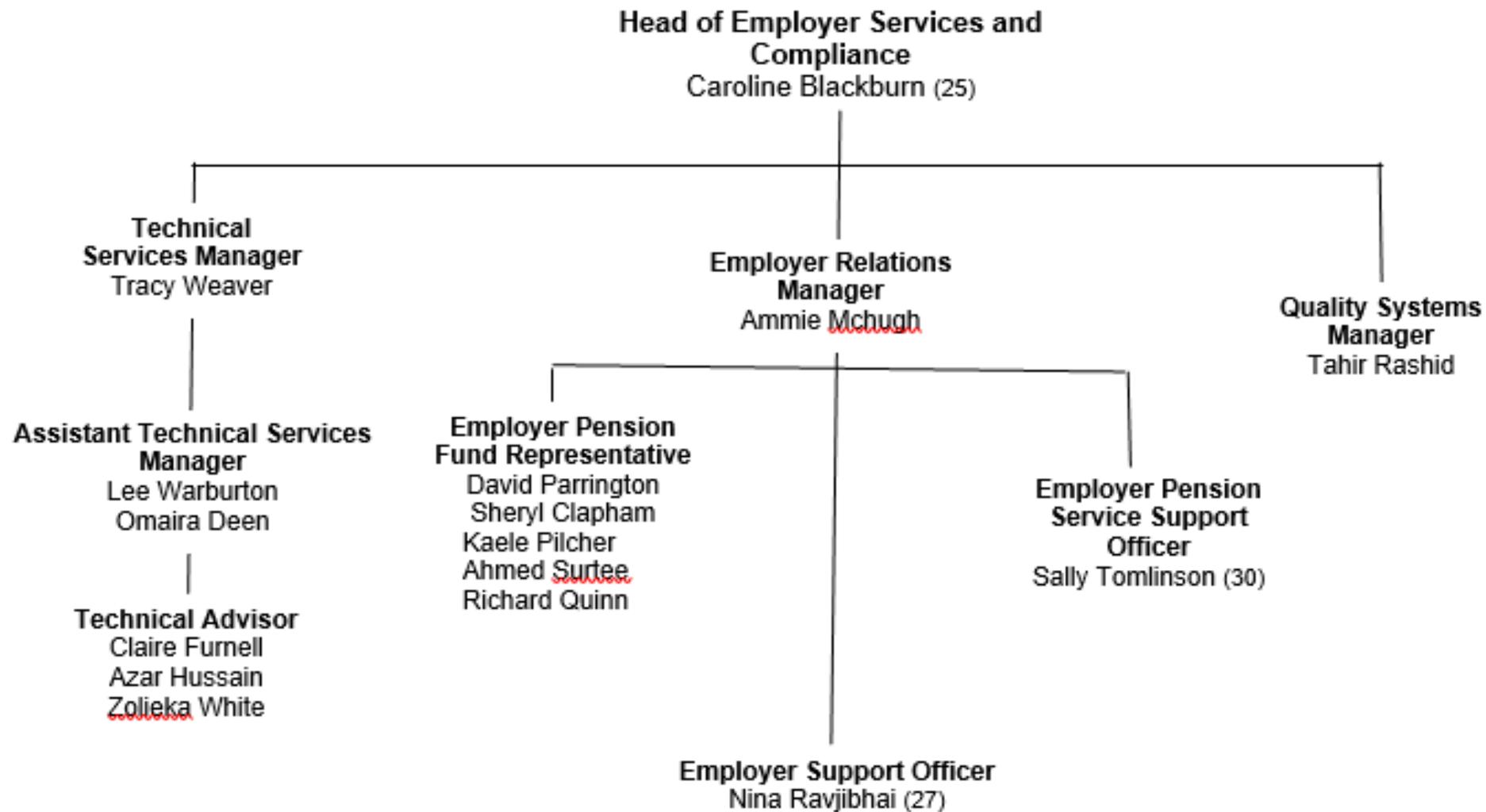
This report was written by Claire Machej, Accounting, Investments and Governance Manager, who can be contacted on 01522 553641 or claire.machej@lincolnshire.gov.uk.

WYPF Employer Relations Update

Ammie Mchugh ammie.mchugh@wypf.org.uk

Agenda

- ERT update & Activity
- Employer training
- Scheme leavers
- Pre-retirement courses
- Save the date!



Employer Relations Team update



Richard Quinn will be joining us in the new year. He comes with 20 years experience in various customer service roles, which includes 12 years in finance and 8 years working with the LGPS and blue light schemes.

Richard has recently completed his CIPD in learning and development.



Ahmed Surtee has just joined us, he comes with 25 years experience in relationship / client management, 4 of which include working with the LGPS and Civica.

Online employer / member support

- **Employer training** continues to be delivered online, via Microsoft teams
- **Valuation season** - aimed at preparing the employer (and their data) for the upcoming valuation
- Slides/videos of previous series/topics can be found >>> [Training \(wypf.org.uk\)](http://wypf.org.uk)



WYPF YouTube Chanel

Will be the new home for member and employer videos. This has just been created and will be launched in the new year.

[West Yorkshire Pension Fund - YouTube](#)



What is a leaver?

- covering what exactly is a leaver
- the process of informing WYPF about a scheme leaver
- exception report
- implications of different reasons for leaving

How to get the most out of the employer portal

- searching for your member's records
- what you can do and see on the employer portal
- useful data views
- viewing exception reports
- online forms

Walk through the online leaver form

- why notifying us of leavers is so important
- recap of benefit entitlement, final pay and CPP
- how to complete the online leaver form step by step

Valuation and the importance of your data

- what is a valuation?
- importance of data and the valuation
- membership audit
- correcting your member records

Understanding CPP

- what is CPP?
- what do we use it for?
- how to calculate it

Valuation season – last few sessions remaining

[Click here](#) to book



Training Feedback

Overall satisfaction score: 94.4%

Page 80

The presentation was very clearly and calmly delivered. Thank you! Also, it is good that the webinars are 30 minutes, rather than say several hours - which suits in this remote environment.

I think the trainer got everything spot on, covering a range of scenarios that might affect final pay considerations, in a reasonable length of time, and everything was communicated in a clear, friendly and informative way.

Very useful, informative without be overburdened with info.

Employer Relations Activity Log

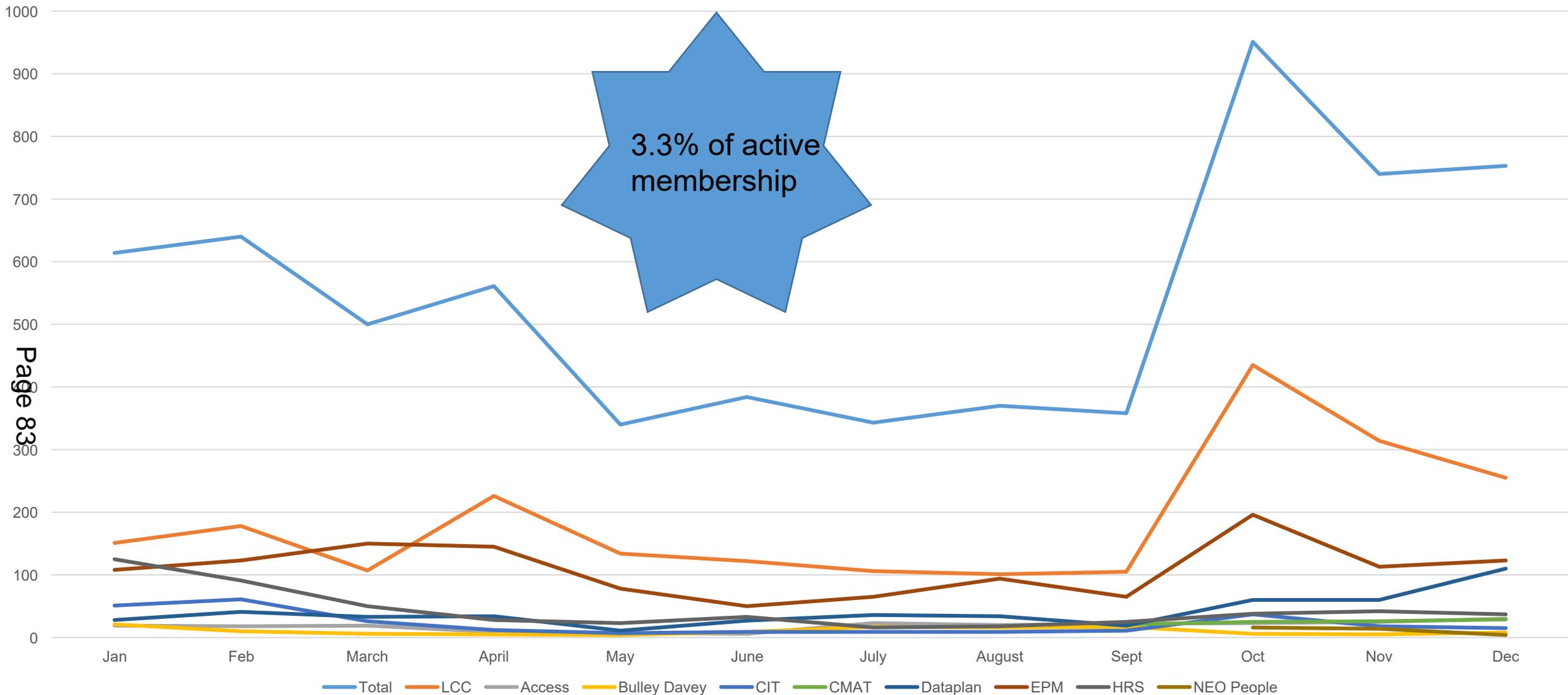
Summary	Number
Employer one to one training	5
Employer Support	8
Employer Webinar	20
Liaison Meeting	5
Member Support	2

Activity recorded
from:
July 2021 – current

Outstanding Leavers

- Each month all employers are given a summary of the leavers in that month (exception report)
- If the employer doesn't complete these forms they become part of a 'backlog'. Each month your PFR will run an O/S leavers report and target the top 10 employers / payroll providers. You provide employers with a total list of outstanding leavers, offer assistance / training if needed.
- Repeat the process each month

Outstanding Leavers Jan - Dec 2021



Outstanding Leavers – current position

Total	753
LCC	255
Access (8)	30
Bulley Davey (4)	8
CIT (14)	15
CMAT (8)	29
Dataplan (48)	110
EPM (52)	123
HRS (16)	37
NEO People (8)	4



Affinity Connect

- Pre-retirement courses continue to be delivered online
- Courses have been extended to 2 ½ hours
- Additional topics now include:
 - Wellbeing
 - Lifestyle
 - Estate planning
- All courses are available to book via our website
- 15 Courses in total have been delivered during 2021

EMPLOYER ENGAGEMENT FORUM

online event



- INTRO TO EMPLOYER RELATIONS TEAM
- DISCRETION POLICIES AWARENESS SESSION
- MY PENSION DEMO AND MARKETING
- GUEST SPEAKER FROM TRUE BEARING

BOOK NOW



Save the date
24/02/2022



www.wypf.org.uk

Contacting WYPF

Member's helpline 01274 434999 or pensions@wypf.org.uk
Employer Relations wypf.pfr@wypf.org.uk
Communications comms@wypf.org.uk

Employer contacts

Kaele Pilcher kaele.pilcher@wypf.org.uk
Team phone number 01274 434900

Questions?



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

Report to:	LGPS Local Pensions Board
Date:	06 January 2022
Subject:	Data Quality Report

Summary:

This report updates the Board on the data quality scores for Lincolnshire Pension Fund which is reported to The Pensions Regulator each year in November.

Recommendation(s):

That the Board note the report.

Background

- 1.1 Pension schemes are required by the TPR to report their common and scheme specific data scores in the annual scheme returns in November.
- 1.2 The current Data Scores for LPF are:

Common	95.78%
Scheme Specific	84.38%

2.0 Data Issues

2.1 Missing Addresses

There are 2370 address's missing for deferred members. This is a decrease of 681.

WYPF have a programme of tracing lost contact members on a rolling programme but it is inevitable that as we trace some members we lose track of others.

2.2 Missing Earnings

There are 672 records with missing earnings. This is a decrease of 177. The majority of cases are awaiting leaver/pensioner benefits to be calculated.

2.3 Missing CARE Benefits

There are 275 records with missing Career Average Revalued Earnings (CARE). This is a decrease of 24. These are cases where leaver forms are outstanding from the Employers or where they have been received by WYPF but benefits not yet calculated.

2.4 Start Date Inconsistency

There are 4838 records where the start date on the record is inconsistent with start date held on other record types. This is a decrease of 64.

2.5 No National Insurance Contributions or GMP

There are 6381 records with missing National Insurance contributions or GMP. Some development work has been undertaken to amend the data quality report to correctly identify where this information is held. More development work is required to identify additional criteria. This is a decrease of 53.

2.8 Missing Crystallisation Details

There are 642 records with missing benefit crystallisation details. It appears that further work may be required to refine the criteria in the data quality report. This is an increase of 37.

2.9 Missing Annual Allowance Calculation

There are 321 records with missing annual allowance calculation. This is an increase of 199.

2.10 No Total Exit GMP (Deferred)

There are 4975 records with missing National Insurance contributions or GMP. It appears that the report does not correctly pick up the GMP amount held on the record where there is no national Insurance contribution history. Development work required to update to refine the data quality report. This is an increase of 17.

2.11 No Post 88 GMP on record

There are 4006 records with missing National Insurance contributions or GMP. Similar to above, it appears that the report does not correctly pick up the GMP amount held on the record where there is no national Insurance contribution history. Development work required to update to refine the data quality report. This is a decrease of 13.

3.0 Data Improvement Plan

- 3.1 As a result of the data scores WYPF has devised a Data Improvement Plan (Appendix A) which identifies the issues with the data and the resolutions required to resolve those issues.
- 3.2 The reports to measure the data scores will be run on a half yearly basis to measure the improvements in data scores and identify any new issues.
- 3.3 It should be noted that TPR do not expect scores to be 100%, as long as there is a Data Improvement Plan to address the data issues. For example, as we trace members, others are identified as lost contact through returned mail. WYPF also takes every opportunity to remind members to tell us when they move house.

Conclusion

- 4.1 Data quality is important to the Fund as, as well as being a requirement of the Pensions Regulator. It may affect the employer contributions at the next valuation and can impact on the reputation of the Fund.
- 4.2 The Fund continually reviews the quality of data held throughout the year and strives to keep this as complete, accurate and up to date as possible. The Pensions Regulator requires Funds to undertake a review of data quality at least annually and this report consolidates the work undertaken in compliance with this requirement.
- 4.3 This report concludes that, whilst data quality is considered to be good within the Fund, there are improvements that can be made and as a result a data improvement plan has been developed.

Consultation

a) Risks and Impact Analysis

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

Appendices

These are listed below and attached at the back of the report	
Appendix A	Data Improvement Plan

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 Yunus Gajra, Assistant Director for Finance, Administration and Governance - West Yorkshire Pension Fund, who can be contacted on 01274 432343 or yunus.gajra@wypf.org.uk.

Lincolnshire Pension Fund

Data Improvement Plan

1. Introduction

- 1.1 This document defines the data improvement plan for Lincolnshire Pension Fund which is administered by West Yorkshire Pension Fund (WYPF) under a shared service arrangement.
- 1.2 WYPF collects and holds large amounts of digital and paper based data and is heavily reliant on the timely receipt of quality data from employers, in order to effectively administer the Local Government Pension Scheme (LGPS).
- 1.3 Fundamentally, the purpose of the LGPS is to pay the correct pension benefits to its members when they become due. It is therefore imperative that the highest possible data quality standards are maintained, to comply with this core function and to ensure the cost effective use of resources.
- 1.4 The LGPS continues to face ongoing legislative change with oversight of administration and governance now falling under the remit of the Pension Regulator, with a heightened responsibility on scheme managers and local pension boards to ensure data is readily available and fit for purpose at all times.
- 1.5 The legal requirements relating to scheme record keeping are set out in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014.
- 1.6 The Pension Regulators (tPR) guidance requires that schemes should:
 - Continually review their data and carry out a data review exercise at least annually
 - Where a review of the scheme's data identifies poor or missing data a data improvement plan should be put in place to address these issues

2. The Pension Regulator Annual Scheme Return

- 2.1 Annually the Pensions Regulator (tPR) issues a scheme return which should be completed and returned. From 2018 each Pension Fund is required to include in the return a Data Quality Score which has two types of data:
 - **Common data** – used to identify scheme members and includes name, address, national insurance number and date of birth.
 - **Scheme-specific data** – essential to calculate benefit entitlement such as pensionable pay and service history. It also encompasses data relating to events that occur during an individual's membership, for example transfers etc.

- 2.2 TPR has issued a quick guide on measuring scheme data which states that one piece of missing data, such as a current address on a deferred member's record should be reported to them as a failed record.

3. Key Objectives

The key objectives of this plan are to:

- Ensure member, pensioner, deferred and beneficiary records are maintained as accurately as possible to ensure benefits are paid correctly on time, members receive a high standard of service and the fund is able to meet legal obligations.
- Ensure Investment and Administration costs are reliable/correct.
- Ensure data supplied to the Fund's actuary for the valuation is as accurate as possible so the correct liabilities can be calculated.
- Ensure the Fund complies with tPR's Code of Practice.

4. Outcomes

Outcomes of an improvement in the data held by the administrator are:

- Improvement of tPR data score for Common and Scheme Specific (also known as conditional) data.
- Increase in the number of Annual Benefit Statements (ABS) issued by 31 August each year./members aware of the value of their benefits.
- Reduction in the number of Internal Dispute Resolutions (IDRPs) received for incorrect calculation of benefits or delays in paying benefits.
- Reduction in the number of queries from the Fund's Actuary at valuation time.
- Reduction in the number of queries received when ABS are sent out.
- Reduction in administration costs due to increased efficiency.
- Reduces the likelihood of the Government Actuary Department rejecting data for the scheme valuation.
- Improves accuracy for IAS19 valuations.
- Reduction in delays for calculating and paying retirement benefits, death benefits, transfers out.

- Reduction in the queries between WYPF and Employers
- Reduction of breaches recorded on the Breaches Register (e.g. due to ABS being issued late).

5. Additional general responsibilities relating to Data Improvement as follows:

5.1 WYPF Officers

- WYPF officers continually review and ensure data collected is fit-for-purpose and processes are in place to monitor accuracy and timeliness. All processes have working instructions in place to assist with staff training, understanding and compliance.
- Team Managers are responsible for ensuring that staff have the appropriate level of UPM access to fulfil their duties and access is withdrawn upon the member of staff leaving WYPF. This minimises the risk of accidental loss, errors and unauthorised activity.

5.2 Scheme Employers

- WYPF is reliant upon the accuracy, completeness and timeliness of data submitted by scheme employers and any third party agencies that they may utilise e.g. outsourced payroll providers.
- WYPF will work with scheme employers throughout the year to support the provision of data to the required standard.
- Details of the information employers are required to provide and the financial penalties should they fail to do so are detailed in the Fund's Pensions Administration Strategy.

6 Ongoing Data Cleansing

6.1 Monthly Returns data quality checks

WYPF embraced monthly contribution postings several years ago with the aim of simplification, systems integration, increased data accuracy and complete up to date member records. The benefits include ensuring that employee's contributions, member's personal details, and financial records are up to date, accurate and complete.

6.2 LGPS National Insurance Database

Administered by South Yorkshire Pension Fund Authority on behalf of the Local Government Association (LGA), the secure National Insurance

Database was developed for Local Government Pension Scheme (LGPS) administering authorities to share data to prevent duplicate payment of death grants. This follows changes to Scheme Regulations in 2014 where payment of a death grant in respect of a member with entitlement across multiple membership categories is restricted to an aggregate payment value in relation to any active or pensioner/deferred membership. When processing the death of a scheme member, officers will check the LGPS National Insurance Database for the existence of membership at other LGPS Funds. (Please note not all LGPS administrators are part of this database).

6.3 'Tell Us Once' Service

The secure LGPS National Insurance Database also facilitates the integration of the Fund's membership profile into the Department of Work and Pensions (DWP) 'Tell Us Once' service (TUO). The service allows a person registering a death to request that the DWP pass on the deceased's information to other government services and council services. If the deceased is a member of the Fund, as determined by the LGPS National Insurance Database, an email notification is received informing the designated officers that a copy of the death certificate is accessible on the secure government gateway.

6.4 National Fraud Initiative

The National Fraud Initiative (NFI) matches electronic data within and between public and private sector bodies to prevent and detect fraud. These bodies include police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies. WYPF submit data to National Fraud Initiative on a regular basis to identify deceased members and members who are no longer entitled to receive a pension.

6.5 Mortality screening and tracing service

WYPF engage with a Tracing Bureau for both monthly mortality screening and for members we don't have a current address for. For deferred members, where a current address for a lost contact cannot be found by the Tracing Bureau, a more detailed check is carried out 3 months before payment of pension is due.

6.6 Annual Benefits Statement (ABS) checks

Before producing an ABS each year certain checks are applied to active records to ensure accurate data is used in the production of the ABS. These checks include:

- Ensuring contributions are received for every month during the year,
- Checks to make sure there are no spikes in care pensionable pay,

- Checks to ensure the final pay has not increased by 20% or decreased by 10%,
- Checks to ensure there aren't any outstanding processes,
- Address check to compare the address held on the record and that supplied on the monthly return,
- Identifying casual workers.

If these checks identify further information is required from an employer the ABS production for this case will be blocked and a query will be referred back to the employer. Upon receipt of the appropriate information the record will be updated and the ABS will be released for production.

6.7 Deferred pensions increase

As part of the annual deferred pensions increase process certain data errors are identified and pensions increase is blocked until they are resolved. These errors include:

- Incorrect elements present,
- Spouse elements that don't match member elements,
- Incorrect dates for the first entry after the member is deferred,
- Data errors are corrected to allow deferred pensions increase to run on to individual deferred folders.

6.8 Annual deferred benefit statements

Before producing the annual deferred benefit statements data errors that would result in potentially incorrect statements being produced are identified. These include:

- Deferred pensions increase not updated
- Multiple 'normal payment' dates being held on the deferred folder
- Multiple entries for the same date shown on the pension history screen
- Initial entries on the pension history missing
- Service start date mismatches

Once these errors are resolved and the records is updated the deferred ABS will be released for production.

7 Data errors

When tackling data errors the following considerations will be used when making the decision on the priority of errors to be resolved:

- Priority identified on the error report
- Data improvement plans objectives

8. Frequency

Data Quality reports will be run on a quarterly basis to measure the data quality scores and identify any further action that may be required.

9 Appendices

- Appendix 1 details the Data Quality scores and errors
- Appendix 2 details to work planned to deal with the data errors identified.

Appendix 1 - Lincolnshire Pension Fund results at November 2021

	March 20	May 20	Nov 20	June 21	Nov 21
TPR Score - Common	95.87	95.9	95.66	95.86	95.78
TPR Score - Conditional	63.08	76.76	84.03	84.32	84.38

Breakdown of activities for improvement

	March 20	May 20	Nov 20	June 21	Nov 21	Direction of travel
Count of Missing, Bad or Temp NI Number	81	75	81	77	70	↓
Count of Bad Date of Birth	1	1	1	1	1	→
Count of Address Missing	3007	2987	3205	3051	3164	↑
Count of Postcode Missing	27	27	26	26	0	↓
Count of No Date Joined Scheme	13	0	0	0	0	→
Count of No Folder Status History	10	0	0	0	0	→
Count of Folder Status/ Status History Mismatch	50	51	30	20	15	↓
Count of Multi Folder Status History Entries on Same Day	48	49	54	49	62	↑
Count of Missing or Bad Expected Retirement Date	4	4	4	4	1	↓
Count of No Folder Scheme History	66	62	61	61	61	→
Count of no NI contributions or GMP	12715	12673	6560	6434	6381	↓
Count of no Date of Leaving	2	2	1	1	1	→
Count of missing benefit crystallisation record	39	39	38	37	36	↓
Count of missing benefit crystallisation details	501	510	564	605	642	↑
Count of Missing Date Joined Employer	2	0	0	0	0	→
Count of Missing Earnings	909	791	1057	849	672	↓
Count of Invalid Transfer In Present	157	156	145	138	152	↑
Count of Invalid AVC Data for member	64	47	1	0	0	→
Count of Invalid Part Time Service Present	64	63	63	63	63	→
Count of Missing CARE Benefit	407	325	274	299	275	↓
Count of Missing CARE Revaluation Rate	5	15	4	17	30	↑
Count of Invalid Contracted Out Date	20	20	21	21	20	↓
Count of Missing Initial Pension (Def)	58	55	47	50	45	↓
Count of Missing Initial Care Pension (Def)	177	154	138	139	130	↓
Count of Missing current Pension	1932	1895	1844	1804	1753	↓
Count of Missing CARE Initial Pension	30	30	30	30	33	↑
Count of missing annual allowance calculation	11031	1070	199	122	321	↑
Count of start date inconsistent	5188	5151	5015	4902	4838	↓
Count of deferred – No total exit GMP	4858	4885	5001	4958	4975	↑
Count of No post 88 exit GMP	4046	4047	4061	4019	4006	↓

Appendix 2

Data Category	Category	Priority	Resolution required	Responsibility	Progress	Deadline
Missing Ni Number	Common	Low	Ni number to be identified where possible	Service Centre /Comms	Ongoing	Ongoing
Date of Birth	Common	Medium	Interrogate record	Service Centre		Nov 22
Address and postcode	Common	Medium	Actives – Contact employer	Comms		Nov 22
			Deferreds and preserved refunds use tracing agency	Service Centre	Rolling program	Rolling program
Folder Status/ Status History mismatch	Common	Medium	Review cases as it appears they might be changes to folder status from monthly postings?	Finance		Nov 22
Multi folder Status history entries on Same day	Common	Low	Need to look at each case as it appears they might have moved onto 2 status on the same day	Service Centre		Nov 23
Missing or bad expected retirement date	Common	Low	Bulk Update	IT		Nov 23
No folder scheme history	Common	Medium	Interrogate records	Service Centre		Nov 22
Missing earnings	Scheme specific	High	Majority Awaiting leaver/pensioner benefits to be calculated in Service Centre	Service Centre	Ongoing	Deal with in accordance with KPI targets
Invalid part time service present	Scheme specific	Low	Interrogate record	Service Centre		Nov 23
Missing CARE benefit	Scheme specific	High	Majority Awaiting leaver/pensioner benefits to be calculated in Service Centre	Service Centre	Ongoing	Deal with in accordance with KPI targets
Missing CARE	Scheme	High	Majority Awaiting leaver/pensioner benefits to be	Service Centre	Ongoing	Deal with in

revaluation rates	specific		calculated in Service Centre			accordance with KPI targets
Invalid contracted Out date	Scheme specific	Low	Interrogate record	Service Centre		Nov 23
Missing initial pension (DEF)	Scheme specific	Low	Possible bare EPB cases. To interrogate and sample records	IT		Nov 23
Missing Initial CARE Pension(DEF)	Scheme specific	Low	Interrogate record Spot check a number of cases as it might be where member joined right at the end of the year and no care benefits	Service Centre	Ongoing	Nov 23
Missing CARE initial Pension	Scheme specific	Low	Interrogate record	Service Centre		Nov 23
Missing NI contributions or GMP	Scheme specific	Medium	IT to refine the report	IT		Nov 22
Missing Date of Leaving	Scheme specific	Low	Interrogate record	Service Centre		Nov 23
Missing benefit crystallisation record	Scheme specific	Low	Interrogate records	Service Centre		Nov 23
Missing benefit crystallisation details	Scheme specific	Medium	It to consider bulk update	IT		Nov 22
Invalid AVC Data for member	Scheme specific	Low	Interrogate records	Service Centre		Nov 23
Missing current pension	Scheme specific	Medium	ITt to refine the report	IT		Nov 22

Missing annual allowance	Scheme specific	Low	IT to consider if a bulk update can be done	IT		Nov 23
Start date inconsistency	Scheme specific	Low	IT to consider if a bulk update can be done	IT		Nov 23
Deferred – No Total exit GMP	Scheme specific	Low	IT to review the report	IT		Nov 23
No post 88 exit GMP	Scheme specific	Low	IT to review the report	IT		Nov 23
Invalid Transfer in present	Scheme specific	Low	Interrogate record	Service Centre		Nov 23

This improvement plan primarily aims to address the key issues identified from the Funds Data Quality review and data quality score and details the plans in place to improve the data we hold.

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

Report to:	Employer Monthly Submissions Update
Date:	06 January 2022
Subject:	Employer Monthly Submissions Update

Summary:

This paper provides the Board with up-to-date information on Employer Monthly Submissions for the second quarter of the financial year 2021/22 (July to September inclusive).

Recommendation(s):

The Board note the report and consider if there are any further actions they wish to take against employers submitting late or inaccurate payments or data.

Background

- 1.1 There are approximately 270 employers within the Lincolnshire Pension Fund. All employers have a statutory responsibility, as set out within the Pensions Act 1995, to ensure that they pay over contributions due to the Fund on a timely basis. The date these are due is set out in the Fund's Administration Strategy, which all employers have signed up to, and has been set as the 19th of the month following their payroll. The Fund considers an employer a 'late payer' if either the cash and/or the data is received after this date.
- 1.2 The Fund has in place robust processes for monitoring the receipt of payments and data from employers. Within the Pensions Team, the Finance Technician is responsible for monitoring employer contributions monthly. Additional checks on the detailed data submissions and employer rates are undertaken by the West Yorkshire Finance Team. The pensions system itself also identifies errors, queries, or where further information is required from the employer (e.g. additional leavers' information).
- 1.3 After any late payment (including data submission) an email is sent to the employer reminding them of their responsibilities. In addition to emailing employers, both the Lincolnshire and West Yorkshire Pension Fund teams are in regular contact with

employers and their payroll providers to prompt payments/data submissions and clarify any queries. Much work has been put into building a good relationship with employers and payroll providers, to assist in understanding the monthly process they need to complete and the data they are required to supply.

- 1.4 A summary of all late contributions or data submissions since April 2021 is set out in table one below. Appendix A sets out the employers who were late, and details when the outstanding payment or information was received.

Table One: Late contributions and data submissions to September 2021

Month	Payment of Contributions		Submission of Data		Payment of Contributions and Submission of Data		Data and Payments do not Match / Incorrect Rate	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
April	1	0.4%	4	1.5%	0	0.0%	2	0.7%
May	4	1.5%	5	1.9%	0	0.0%	0	0.0%
June	3	1.1%	4	1.5%	1	0.4%	2	0.7%
July	2	0.7%	2	0.7%	1	0.4%	6	2.2%
August	2	0.7%	5	1.8%	0	0.0%	3	1.1%
September	3	1.1%	1	0.4%	2	0.7%	3	1.1%
Total	15		21		4		16	

- 1.5 The analysis shows the number of employers making a late payment of contributions or missing both payment of contributions and data is a relatively small percentage of the overall number of employers. A higher number of employers submitted their data returns late or submitted data that did not match the payment received. The second quarter of 2021/22 has seen good compliance from all employers, only a small number of employers missed the deadlines set and there are no specific concerns arising from the late employers during the quarter.

- 1.6 None of the breaches individually have been material and therefore have not been reported to the Pensions Regulator; however, they have been included en masse in the breaches register.

- 1.7 If any employer makes contribution payments or submits data late in three out of six months on a rolling basis, they will receive a fine, unless they are able to offer extenuating circumstances. Fines are currently set at a minimum of £136. Table two sets out the number of fines issued since April 2021. There has been one fine issued in the quarter.

Table Two: Late contributions fines to September 2021

April	May	Jun	July	August	September
1	0	0	0	1	0

Conclusion

- 2.1 This report provides quarterly monitoring information on the timeliness and accuracy of employer submissions to help the Board understand if there are any issues arising from late payments or data submissions and any further actions which are required to address employers not meeting their statutory responsibilities.
- 2.2 Employer submissions have increased in prominence as the number of employers within the scheme has increased. The Fund has responded to this by having a dedicated resource to monitor employer submissions and working closely with West Yorkshire and employers to reduce the numbers of late payers.

Consultation

a) Risks and Impact Analysis

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

Appendices

These are listed below and attached at the back of the report	
Appendix A	Employers’ late data contributions or data - quarter two 2021/22 (July to September inclusive)

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 Claire Machej, Accounting, Investments and Governance Manager, who can be contacted on 01522 553641 or claire.machej@lincolnshire.gov.uk.

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Late Contributions and Payments July to September 2021

July 2021

Employer	Late Cash Contributions	Date received	Late Data Submissions	Date received	Payment of Contributions & Submission of Data	Date received	Payment and Data Don't Match
GRANTHAM COLLEGE	YES	23/08/2021					
SPALDING GRAMMAR ACADEMY	YES	20/08/2021					
SOUTH KESTEVEN DISTRICT COUNCIL			YES	24/08/2021			
SUDBROOKE PARISH COUNCIL			YES	26/08/2021			
CATERLINK (DRET)					YES	12/10/2021	
BISHOP GROSSETESTE COLLEGE							YES
CRANWELL COUNTY PRIMARY							YES
MANOR LEAS INFANT ACADEMY, LINCOLN							YES
PUBLIC SECTOR PARTNERSHIP SERVICES							YES
THE GAINSBOROUGH ACADEMY							YES
THE KINGS SCHOOL, GRANTHAM							YES
	Total = 2		Total = 2		Total = 1		Total = 6

August 2021

Employer	Late Cash Contributions	Date received	Late Data Submissions	Date received	Payment of Contributions & Submission of Data	Date received	Payment and Data Don't Match
SPALDING GRAMMAR ACADEMY	YES	20/09/2021					
FUTURE CLEANING SERVICES	YES	20/09/2021					
BRANSTON COMMUNITY ACADEMY			YES	08/10/2021			
CATERLINK (DRET)			YES	27/09/2021			
GRANTHAM COLLEGE			YES	22/09/2021			
PINCHBECK PARISH COUNCIL			YES	24/10/2021			
ST. THERESE OF LISIEUX SCHOOLS			YES	21/09/2021			
SIR ROBERT PATTINSON ACADEMY							YES
WEST LINDSEY DISTRICT COUNCIL							YES
WRANGLE COUNTY PRIMARY							YES
	Total = 2		Total = 5		Total = 0		Total = 3

September 2021

Employer	Late Cash Contributions	Date received	Late Data Submissions	Date received	Payment of Contributions & Submission of Data	Date received	Payment and Data Don't Match
EASY CLEAN (BASTON PRIMARY)	YES	21/10/2021					
EASY CLEAN (LINCHFIELD)	YES	21/10/2021					
THE GAINSBOROUGH ACADEMY	YES	04/11/2021					
WASHINGBOROUGH ACADEMY			YES	20/10/2021			
GREETWELL PARISH COUNCIL					YES	21/10/2021	
PINCHBECK PARISH COUNCIL					YES	24/10/2021	
LINCOLNSHIRE POLICE CHIEF CONSTABLE							YES
UPPER WITHAM INTERNAL DRAINAGE BOARD							YES
WILLIAM FARR ACADEMY							YES
	Total = 3		Total = 1		Total = 2		Total = 3

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

Report to:	LGPS Local Pensions Board
Date:	06 January 2022
Subject:	Annual Report and Accounts 2020/21: The External Auditors Audit Completion Report

Summary:

This report brings to the Board the Audit Completion Report from Mazars, the Funds External Auditor, on the 2020/21 audit of the financial statements.

Recommendation(s):

That the Board note the report.

Background

- 1.1 The Pension Fund Annual Report and Accounts for the year ended 31 March 2021 have been completed and were reported to the Board at its meeting on 16 July. They are now being independently audited by the Fund's external auditors, Mazars.

Audit Completion Report and Follow Up Letter

- 1.2 A copy of the External Auditors Audit Completion Report and Follow Up Letter are attached to this report at Appendix A and B respectively.
- 1.3 The Audit Completion Report reconfirms the messages reported to the Board in October in the Audit Update Report from Mazars. In summary: there are no significant control deficiencies and no unadjusted misstatements to be reported, and the summary of misstatements section includes reference to the valuation updates for unquoted assets which have been adjusted for in the accounts.
- 1.4 The follow up letter provides information on the items of audit work that were outstanding when the Audit Completion Report was issued. This confirms that all work on the Lincolnshire Pension Fund audit had been completed and that the External Auditor requires a management representation to cover the information on AVC's that has not been provided by Prudential.

- 1.5 An unqualified audit opinion for the Pension Fund accounts was given on Thursday 16 December alongside the audit opinion on the Lincolnshire County Council accounts.

Annual Report

- 1.6 The Pension Fund Annual Report was published on the Fund's website for the statutory deadline of 1 December. This was republished following receipt of the audit opinion.

Conclusion

- 2.1 The audit of the Pension Fund Statement of Accounts for the year ended 31 March 2021 is complete and the external auditor, Mazars, issued an unqualified audit opinion on Thursday 16 December.

Consultation

a) Risks and Impact Analysis

N/A

Appendices

These are listed below and attached at the back of the report	
Appendix A	Mazars Audit Completion Report (12 October 2021)
Appendix B	Mazars Audit Completion Follow Up Letter (8 November 2021)

Background Papers

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

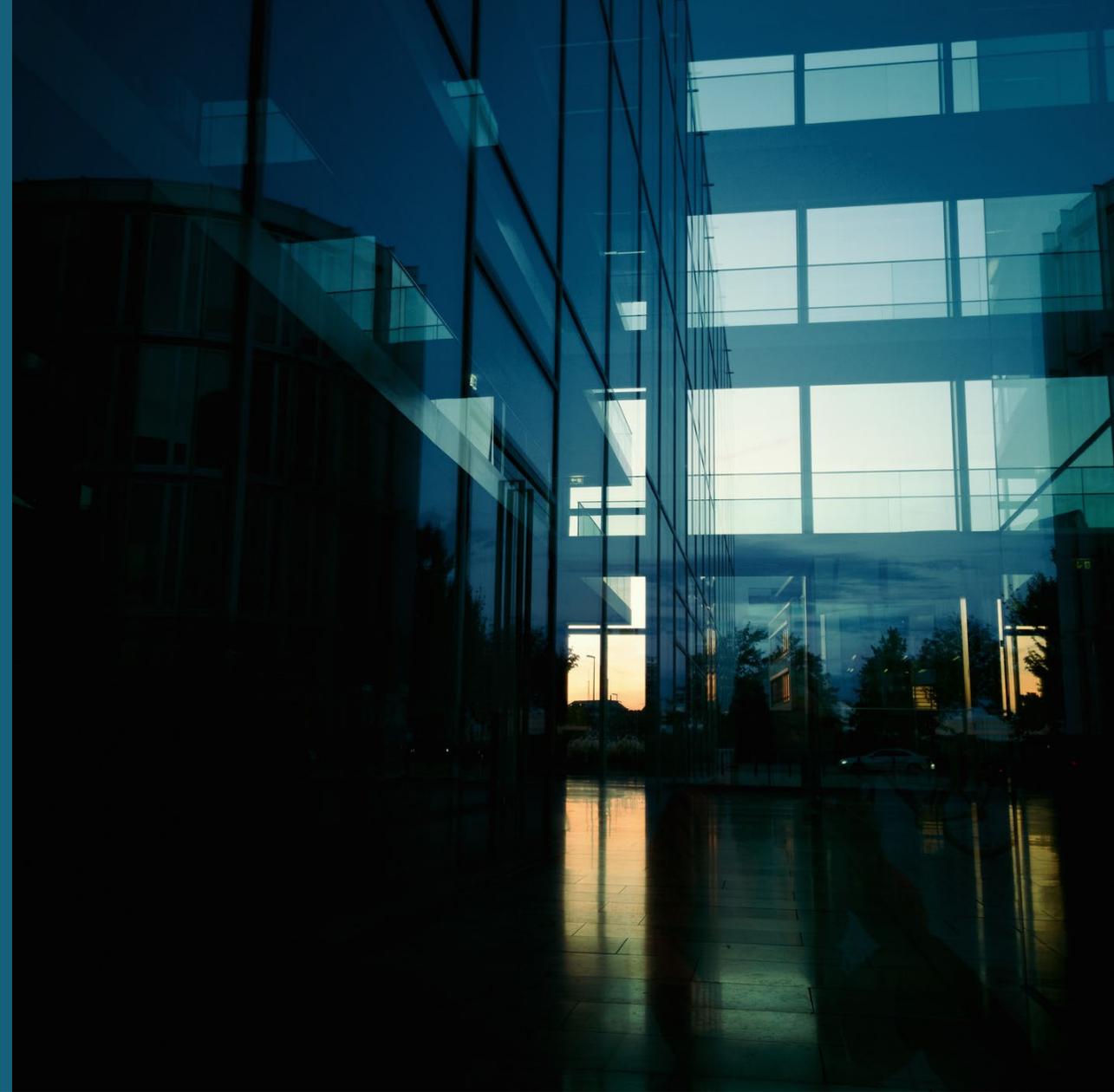
This report was written by Claire Machej, Accounting, Investments and Governance Manager, who can be contacted on 01522 553641 or claire.machej@lincolnshire.gov.uk.

Audit Completion Report

Lincolnshire Pension Fund – Year ended
31 March 2021

October 2021

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Appendix A: Draft management representation letter

Appendix B: Draft audit report

Appendix C: Draft consistency report

Appendix D: Independence

Appendix E: Other communications

Our reports are prepared in the context of the 'Statement of responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. Reports and letters prepared by appointed auditors and addressed to the Pension Fund are prepared for the sole use of the Pension Fund and we take no responsibility to any member or officer in their individual capacity or to any third party. Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.

Members of the Audit Committee
Lincolnshire County Council
County Offices
Newland, Lincoln
LN11YL

12 October 2021

Dear Committee Members

Audit Completion Report – Year ended 31 March 2021

We are pleased to present our Audit Completion Report for the year ended 31 March 2021. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 14 June 2021. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 078 1375 2053 .

Yours faithfully

Signed: `{{_es_:signer1:signature}}`

Cameron Waddell (Key Audit Partner)

Mazars LLP

Mazars LLP
The Corner
Bank Chambers
26 Mosley Street
Newcastle upon Tyne
NE1 1DF

01

Section 01:

Executive summary

1. Executive summary

Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2020/21 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management override of controls; and

Valuation of investments within level 3 of the fair value hierarchy.

Based on the audit work completed to date there are no identified significant control deficiencies and no unadjusted misstatements that we are required to report to the Audit Committee.

Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2021. At this present time we envisage giving our opinion in November 2021 alongside the opinion on Lincolnshire County Council's financial statements.

At the time of preparing this report, there are some matters outstanding as outlined in section 2. We will provide an update to you in relation to the matters outstanding through issuance of a follow up letter. Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:



Audit opinion

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.



Consistency report

We anticipate concluding that the Pension Fund financial statements within the Pension Fund's Annual Report are consistent with the Pension Fund financial statements within the Statement of Accounts of Lincolnshire County Council. Our draft consistency report is provided in Appendix C.



Wider powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Fund and to consider any objection made to the accounts. No objections or questions from local electors have been received.

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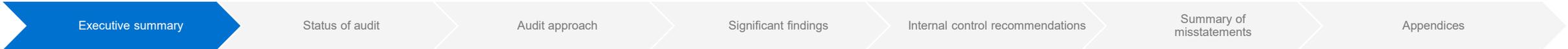
Appendices

1. Executive summary

COVID-19 impacts

The implications of the pandemic required remote working in relation to this audit. Whilst auditing on a remote basis was challenging, we have been able to work in liaison with the finance team to deliver the audit and wish to thank them for their support.

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02

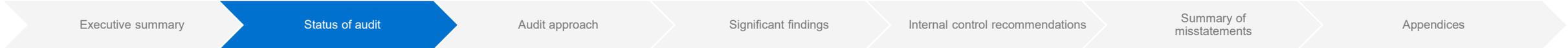
Section 02: **Status of the audit**

2. Status of the audit

Our work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the outstanding matters detailed below.

Audit area	Status	Description of the outstanding matters
Finalised financial statements		The Pension Fund has revised its financial statements to reflect the updated valuations it has received from fund managers. We are completing our checks on the finalised financial statements before giving our opinion.
Audit Quality Control and Completion Procedures		Our audit work, including the specific procedures carried out in relation to the significant audit risks identified, is yet to undergo the final stages of review by the Engagement Lead. In addition, there are residual procedures to complete, including completing our internal technical consultations on the proposed audit opinion and the updated financial statements, updating post balance sheet event considerations to the point of issuing the opinion and obtaining final management representations.

-  Likely to result in material adjustment or significant change to disclosures within the financial statements.
-  Potential to result in material adjustment or significant change to disclosures within the financial statements.
-  Not considered likely to result in material adjustment or change to disclosures within the financial statements.



03

Section 03: **Audit approach**

3. Audit approach

Changes to our audit approach

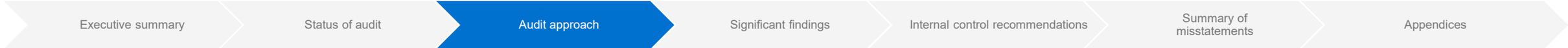
We provided details of our intended audit approach in our Audit Strategy Memorandum in May 2021. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

Materiality

Our provisional materiality at the planning stage of the audit was set at £26.6 million using a benchmark of 1% of net assets available to pay benefits. We set a provisional specific materiality for the fund account of £10.4 million at the planning stage of the audit using a benchmark of the higher of 10% of contributions receivable and 10% of benefits payable.

Our final assessment of materiality, based on the final financial statements and qualitative factors was set using the same benchmarks:

- Statement materiality £27.4 million.
- Fund account specific materiality £11.4 million.



04

Section 04: **Significant findings**

4. Significant findings

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding other significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. We currently envisage concluding that the financial statements have been prepared in accordance with the financial reporting framework; and
- any significant difficulties we experienced during the audit.

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Significant risks

Management override of controls	Description of the risk
	In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.
	<p>How we addressed this risk</p> <p>We addressed this risk through performing audit work over:</p> <ul style="list-style-type: none"> • Accounting estimates impacting amounts included in the financial statements; • Consideration of identified significant transactions outside the normal course of business; and • Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.
	<p>Audit conclusion</p> <p>Our work has provided the assurance we sought in each of these areas and has not highlighted any material issues to bring to your attention.</p>



4. Significant findings

Valuation of investments within level 3 of the fair value hierarchy	Description of the risk
	<p>At 31 March 2021 the Pension Fund held investments which were not quoted on an active market with a fair value of £344.0 million, accounting for 12.5 per cent of the Fund's net investment assets. This included: Alternatives (£274.3 million), Property (£6.9 million), Infrastructure (£50.4 million) and Private Equity (£12.4 million). Inherently these assets are harder to value, as they do not have publicly available quoted prices from a traded market, and as such they require professional judgement or assumptions to be made when valuing them at year end.</p> <p>As the pricing of these investment assets is subject to judgements, they may be susceptible to pricing variances for 2020/21 due to the assumptions underlying the valuation. We therefore consider that there is an increased risk of material misstatement.</p>

How we addressed this risk

We addressed this risk by completing the following additional procedures:

- agreeing the valuation included in the Pension Fund's underlying financial systems to supporting documentation including investment manager valuation statements and cash flows for any adjustments made to the investment manager valuation;
- agreeing holdings from fund manager reports to the custodian's report;
- agreeing the investment manager valuation to audited accounts or other independent supporting documentation, where available;
- reviewing the valuation methodologies through review of accounting policies within audited financial statements and challenge of the fund manager, where required;
- where audited accounts are available, check that they are supported by a clear opinion; and

Valuation of investments within level 3 of the fair value hierarchy (cont'd)	How we addressed this risk (continued)
	<ul style="list-style-type: none"> • where available, reviewing independent control assurance reports to identify any exceptions that could present a risk of material misstatement in the Pension Fund's financial statements.
	<h3>Audit conclusion</h3> <p>Our work has provided the assurance we sought in the above areas. It has however highlighted a material difference between the valuation of investments in the initial set of accounts prepared and the final version of the accounts on which we will be giving our opinion. This difference resulted from the timing of valuations received from fund managers. The adjusted misstatement involved is detailed on page 18 of this report.</p>

4. Significant findings

Qualitative aspects of the Trust's accounting practices

We have reviewed the Fund's accounting policies and disclosures and concluded they comply with the 2020/21 Code of Practice on Local Authority Accounting, appropriately tailored to the Fund's circumstances.

In line with our expectations, there have been no significant changes to accounting policies for the year ended 31 March 2021.

Draft accounts were received from the Fund on 22 June 2021 and were of a good quality.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management. It is however worth noting that our audit work has been completed through remote working arrangements as a result of the constraints imposed by the COVID-19 pandemic. Whilst challenging at times, through the effective use of technology and close liaison with finance and other officers of the Trust these challenges were overcome.

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2020/21 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such questions or objections have been raised.

05

Section 05: **Internal control recommendations**

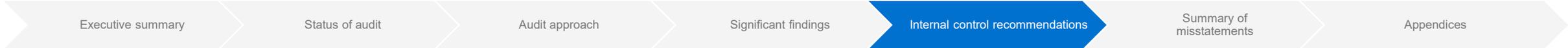
5. Internal control recommendations

The purpose of our audit is to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements. We do this in order to design audit procedures to allow us to express an opinion on the financial statement and not for the purpose of expressing an opinion on the effectiveness of internal control, nor to identify any significant deficiencies in their design or operation.

The matters reported in this section are limited to those deficiencies and other control recommendations that we identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our work has not identified any internal control issues to bring to your attention.

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06

Section 06:

Summary of misstatements

6. Summary of misstatements

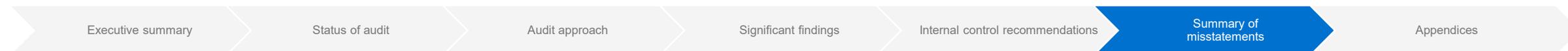
This section outlines the misstatements identified during the course of the audit to date, above the trivial threshold for adjustment of £0.8 million. Where the draft accounts are formally signed and published in accordance with the Regulations any subsequent amendments are referred to as misstatements. This is the case even if such amendments are inevitable and result from the timing of the information available from investment fund managers as is the case this year. The change to the accounts detailed below was identified and proposed by officers from proactively tracking the asset changes from the information received. Last year we did our audit on the basis of a later set of accounts which already incorporated such changes. This explains why these valuation changes are highlighted in our report this year. There are no unadjusted misstatements in relation to the Pension Fund's 2020/21 financial statements. The table below outlines the misstatements that have been adjusted by management.

Adjusted misstatements

		Fund Account		Net Assets Statement	
		Dr (£m)	Cr (£m)	Dr (£m)	Cr (£m)
Page 130	1	Dr: Investments – Managed Funds Cr: Change in Market Value Difference between valuation of unquoted investments per pension fund accounts and third party confirmations received after the year-end.		33.948	33.948
Total adjusted misstatements			33.948	33.948	

Disclosure amendments

A number of minor disclosure amendments were made in response to the review of the Pension Fund's financial statements by our technical team. All such matters have been addressed in the final version of the Pension Fund's financial statements.



Appendices

A: Draft management representation letter

B: Draft audit report

C: Draft consistency report

D: Independence

E: Other communications

Appendix A: Draft management representation letter

Mazars LLP
Salvus House
Aykley Head
Durham
DH1 5TS

XX November 2021

Dear Cameron

Lincolnshire Pension Fund - audit for year ended 31 March 2021

This representation letter is provided in connection with your audit of the financial statements of the Lincolnshire Pension Fund ('the Pension Fund') for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code).

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Pension Fund you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Executive Director of Resources that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material affect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Pension Fund and Committee meetings, have been made available to you.

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Appendix A: Draft management representation letter

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with the Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Pension Fund's financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the Pension Fund in making accounting estimates, including those measured at fair value, are reasonable.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Pension Fund have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom. The Pension Fund has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

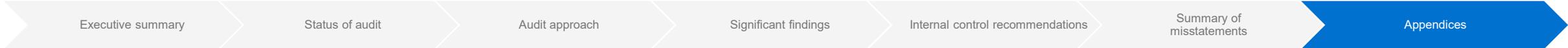
Fraud and error

I acknowledge my responsibility as Executive Director of Resources for the design, implementation and maintenance of internal control to prevent and detect fraud and error. I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Pension Fund involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Pension Fund's statement of accounts communicated by employees, former employees, analysts, regulators or others.

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Appendix A: Draft management representation letter

Assets

I confirm that all assets held are free from liens, charges or any other encumbrance.

Related party transactions

I confirm that all related party relationships, transactions and balances have been appropriately accounted for and disclosed in accordance with the requirements of the Code.

I have disclosed to you the identity of the Pension Fund's related parties and all related party relationships and transactions of which I am aware.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Specific representation on unquoted investments

Unquoted investments are included in the net assets statement at the value estimated by the general partner managing each fund in accordance with the guidelines used by the industry, and based on the latest information to hand at the time of the valuation. I am satisfied, based on the knowledge I have, with the valuations, and am not aware of any subsequent events that would have a material impact on the estimated value of the unquoted investments.

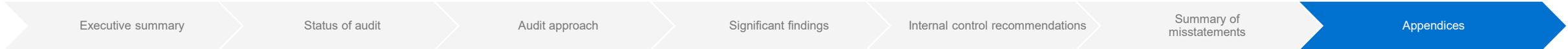
Unadjusted misstatements

I confirm that the effects of any uncorrected misstatements are immaterial, both individually and in aggregate, to the statement of accounts as a whole.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed. Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly

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Appendix A: Draft management representation letter

Going concern

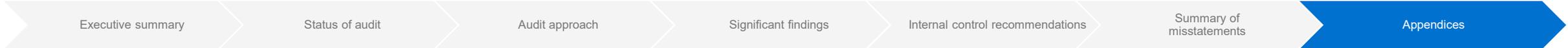
To the best of my knowledge there is nothing to indicate that the Pension Fund will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts. I have updated our going concern assessment in light of the Covid-19 pandemic. I continue to believe that the Pension Fund’s financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that current and future sources of funding or support will be more than adequate for the Pension Fund’s needs. We believe that no further disclosures relating to the Pension Fund’s ability to continue as a going concern need to be made in the financial statements.

Yours sincerely

Executive Director of Resources

Date.....

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Appendix B: Draft audit report

Draft Independent auditor's report to the members of Lincolnshire County Council Report on the financial statements of the Lincolnshire Pension Fund

Opinion on the financial statements of the Lincolnshire Pension Fund

We have audited the financial statements of Lincolnshire Pension Fund ('the Pension Fund') for the year ended 31 March 2021, which comprise the Fund Account, the Net Assets Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

In our opinion the financial statements:

- give a true and fair view of the financial transactions of Lincolnshire Pension Fund during the year ended 31 March 2021, and the amount and disposition of the Pension Fund's assets and liabilities as at 31 March 2021; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Council, as administering authority for the Pension Fund, in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Executive Director of Resources use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Pension Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Executive Director of Resources with respect to going concern are described in the relevant sections of this report.

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Appendix B: Draft audit report

Other information

The Executive Director of Resources is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

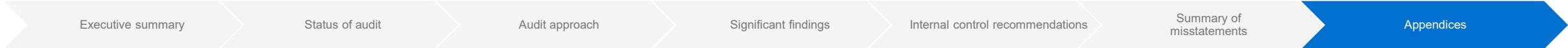
We have nothing to report in this regard.

Responsibilities of the Executive Director of Resources for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Executive Director of Resources is responsible for the preparation of the Statement of Accounts, which includes the Pension Fund’s financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, and for being satisfied that they give a true and fair view. The Executive Director of Resources is also responsible for such internal control as the Executive Director of Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Executive Director of Resources is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and prepare the financial statements on a going concern basis, unless the Council is informed of the intention for dissolution of the Pension Fund without transfer of services or function to another entity. The Executive Director of Resources is responsible for assessing each year whether or not it is appropriate for the Pension Fund to prepare the accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

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Appendix B: Draft audit report

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Pension Fund’s financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

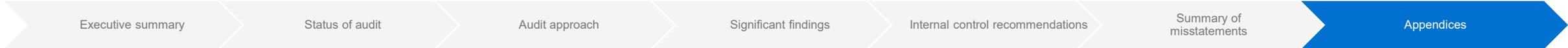
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Pension Fund, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21) and the Local Audit and Accountability Act 2014 (and associated regulations made under section 32), and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Executive Director of Resources incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the * discussing with management Pension Fund which were contrary to applicable laws and regulations, including fraud.

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Appendix B: Draft audit report

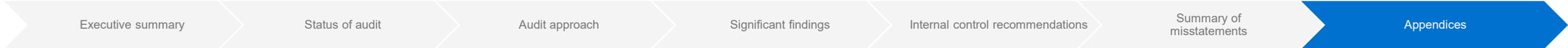
Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Executive Director of Resources use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in April 2021.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Appendix B: Draft audit report

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

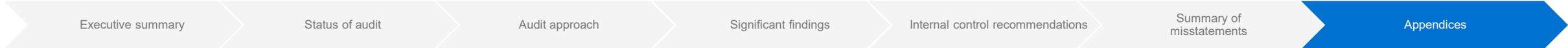
Use of the audit report

This report is made solely to the members of Lincolnshire County Council, as a body and as administering authority for the Lincolnshire Pension Fund, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

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Ameron Waddell
 For and on behalf of Mazars LLP
 One Corner
 Bank Chambers
 26 Mosley Street
 Newcastle upon Tyne
 NE20 9NE

XX November



Appendix C: Draft consistency report

Independent auditor's statement to the members of Lincolnshire County Council on the pension fund financial statements included within the Lincolnshire Pension Fund annual report

Report on the financial statements

Opinion

We have examined the Pension Fund financial statements for the year ended 31 March 2021 included within the Lincolnshire Pension Fund annual report, which comprise the Fund Account, the Net Assets Statement and the notes to the financial statements, including the summary of significant accounting policies.

In our opinion, the Pension Fund financial statements are consistent with the audited financial statements of Lincolnshire County Council for the year ended 31 March 2021 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

Respective responsibilities of the Executive Director of Resources and the auditor

As explained more fully in the Statement of the Executive Director of Resources' Responsibilities, the Executive Director of Resources is responsible for the preparation of the Pension Fund's financial statements in accordance with applicable United Kingdom law.

Our responsibility is to report to the Members of Lincolnshire County Council as a body, whether the Pension Fund financial statements within the Pension Fund annual report are consistent with the financial statements of Lincolnshire County Council. We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the Pension Fund financial statements contained within the audited financial statements of Lincolnshire County Council describes the basis of our opinions on the financial statements.

Use of this auditor's statement

This report is made solely to the members of Lincolnshire County Council, as a body and as administering authority for the Lincolnshire Pension Fund, in accordance with Part 5 paragraph 20(5) of the Local Audit and Accountability Act 2014. Our work has been undertaken so that we might state to the members of Lincolnshire County Council those matters we are required to state to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lincolnshire County Council and Lincolnshire County Council's members as a body, for our audit work, for this statement, or for the opinions we have formed.

Cameron Waddell
For and on behalf of Mazars LLP

The Corner
Bank Chambers
26 Mosley Street
Newcastle upon Tyne
NE1 1DF
XX November

Executive summary

Status of audit

Audit approach

Significant findings

Internal control recommendations

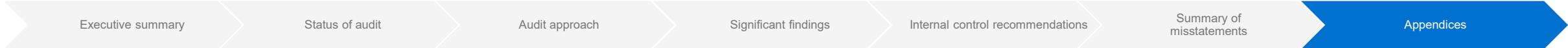
Summary of misstatements

Appendices

Appendix D: Independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

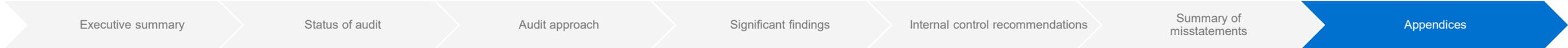
We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.



Appendix E: Other communications

Other communication	Response
Compliance with Laws and Regulations	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
External confirmations	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
Related parties	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ul style="list-style-type: none"> a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
Going Concern	<p>We have not identified any evidence to cause us to disagree with the view of the Executive Director of Resources that the Lincolnshire Pension Fund will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements.</p> <p>We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.</p>

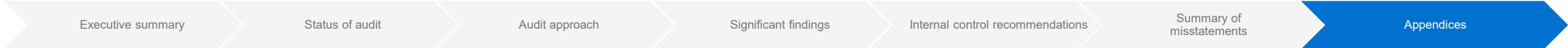
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Appendix E: Other communications

Other communication	Response
Subsequent events	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor’s report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
Matters related to fraud	<p>We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, confirming that</p> <ol style="list-style-type: none"> a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b. they have disclosed to the auditor the results of management’s assessment of the risk that the financial statements may be materially misstated as a result of fraud; c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: <ol style="list-style-type: none"> i. Management; ii. Employees who have significant roles in internal control; or iii. Others where the fraud could have a material effect on the financial statements; and d. they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, analysts, regulators or others.

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Cameron Waddell

Mazars

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.

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Members of the Audit Committee
Lincolnshire County Council
County Offices
Newland, Lincoln
LN11YL

Direct dial +44 (0)78 1375 2053

Email cameron.waddell@mazars.co.uk

8 November 2021

Dear Committee Members

Conclusion of pending matters – Audit Completion Report for Lincolnshire County Council Pension Fund

As required by International Standards on Auditing (UK), I am writing to communicate an update on those matters that were marked as outstanding within our Audit Completion Report.

The outstanding matters identified and the current status of each are detailed below.

Matter	Conclusion reached
Finalised financial statements	<p>We have completed our work with only one issue to note in relation to the disclosure of non-material Additional Voluntary Contributions (AVC) in Note 21.</p> <p>Whilst the value of AVC funds are not included in the Fund Account and Net Assets Statement they should be disclosed in Note 21.</p> <p>However, the Pension Fund has not yet received the required information to include in Note 21 from Prudential plc and consequently has been unable to make the required disclosure. The wording of Note 21 sets out the current position.</p> <p>We will seek a representation on this in our management representation letter.</p>
Audit quality control and completion procedures	<p>We have completed much of this work, subject to the need to finalise certain aspects, with no further issues to report.</p>

Please contact me if I can be of any further assistance.

Yours sincerely



Cameron Waddell

Key Audit Partner

For and on behalf of Mazars LLP



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

Report to:	LGPS Local Pensions Board
Date:	06 January 2022
Subject:	Training Needs

Summary:

This item provides Board Members the opportunity to discuss any training attended since the last Board meeting and provide feedback to other Board Members on its content.

This report also brings to the Board any conference or training highlight notes from the previous three-month period.

The Board should consider if there is any further training they wish to receive or attend in future months.

Recommendation(s):

The Board are:

1. Requested to share information on relevant events attended since the last Board meeting;
2. Note any conference and training feedback from the previous three months; and
3. Consider if there is any further training required in future months.

Background

- 1.1 The Fund's Training Policy requires members of the Pensions Committee, following attendance at any conference, seminar, or external training events, to share their thoughts on the event, including whether they would recommend it for others to attend. It was agreed that this would be a useful addition to Pension Board meetings too.

1.2 The Fund's Training Policy requires members of the Pensions Committee, following attendance at any conference, seminar, or external training events, to share their thoughts on the event, including whether they would recommend it for others to attend. It was agreed that this would be a useful addition to Pension Board meetings too.

1.3 The Fund's Training Policy requires members of the Pensions Committee, following attendance at any conference, seminar, or external training events, to share their thoughts on the event, including whether they would recommend it for others to attend. It was agreed that this would be a useful addition to Pension Board meetings too.

Conclusion

The Board should consider past training events attended and future training needs.

Consultation

a) Risks and Impact Analysis

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

Appendices

These are listed below and attached at the back of the report	
Appendix A	Hymans Robertson Conference Highlights: Pension Managers Conference 16-17 November 2021

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 Claire Machej, Accounting, Investments and Governance Manager, who can be contacted on 01522 553641 or claire.machej@lincolnshire.gov.uk.

Conference highlights

LGPS Pension Managers' Conference, Torquay (16-17 November 2021)



Susan Black
Head of Governance, Administration and Projects

Following last year's virtual event, the South West Pension Managers' Conference was back with a bang in Torquay. The event covered a range of administration focused LGPS issues, including a Pensions Ombudsman update, McCloud (of course!), the upcoming Pensions Dashboard, and the future of LGPS administration.

If there is something here which you would like to discuss further, please get in touch with your usual Hymans Robertson contact.

Day 1 - Session 1: Keynote Speaker

Anthony Arter, The Pensions Ombudsman (TPO)

- Anthony covered the impacts of Covid. Whilst TPO staff were already working from home, delays in obtaining information led to a build-up of cases. Processes are being refined to increase efficiency and most cases are now resolved informally.
- There has been an upward trend in cases generally with an increasing focus on cases concerning automatic enrolment, pension revision and scams (which tend to be particularly complex). LGPS complaints declined from around 300 cases in 2019/20 to around 100 in 2020/21. Ill-health remains the biggest cause of complaints.
- Anthony discussed the overpayment case of *Webber v Department of Education*. The court found that the scheme should only recover overpayment for the 6 years prior to the point that the member made an official complaint to TPO. As the Ombudsman highlighted, this could incentivise an overpaid member to drag out proceedings and so reduce the period for which they are liable to repay overpaid pension.
- Anthony also discussed the *Davison and Norton* cases, where TPO found the trustees of both schemes to be personally liable. By making the independent trustee a complainant, this meant that all affected members could be included in redress and not just those who had complained directly to TPO.
- (NB See session 8 later, also by TPO)

Session 2: LGA Update

Jeff Houston, Head of Pensions, LGA

- Jeff opened by telling conference of his plans to retire on 31 March next year - he will be missed!
- Jeff advised that the government is determined to press ahead with a manifesto commitment regarding Exit Caps but there is a recognition that the original HMT regulations were flawed and that there will be different solutions for different departments. He also highlighted the need for regulation in relation to equalising historic survivor pensions, sooner rather than later, in the interests of fairness.
- Data was a recurring theme; from Pensions Dashboard to McCloud, which was described as “complexity on top of complexity”. HMRC has agreed that lump sums paid late will not, after all, be unauthorised but it is unclear how far back this will apply retrospectively.
- Currently, the McCloud LGPS remedy only applies to members who were active on 1 April 2012. However, in the other public service schemes, it applies to members who were deferred on that date and re-joined without a disqualifying break. If the LGPS is brought into line with the other public service schemes then it would be better if funds already have the data they need, rather than having to go back to employers once again for data for another cohort of members. Given the volume of data work needed for Pensions Dashboard in any event, it may be prudent to take a broad view, and request this data now.

Workshops:

Pensions Dashboard – On Boarding: Jayne Wiberg, LGA

- Jayne covered the structure and set up on the Dashboard eco-system. Funds need to trust the eco-system and focus on the elements of the Dashboard that are within their control, namely the provision of accurate data.
- As the Dashboard project is moving through testing there is still a degree of uncertainty around what will need to be done, and when. The need to cleanse data should be included within business planning. Delegates appreciated the links between the need for good data for the Dashboard and to deal with McCloud requirements.
- Communication with members around the creation of the Dashboard, and queries as result of the Dashboard going live, should be on the agenda as further details of the project and timescales become clearer.

Communicating and dealing with employers: Lorraine Bennett & Rachel Abbey, LGA

- The LGA is increasing its resource to provide more employer training, and sought feedback on their own services and website.
- Delegates were keen to have more bite sized and pre-recorded training for employers, together with a more user friendly and searchable website.
- Hot topics continue to be ill health and outsourcing.

New ways of working: Ian Colvin, Hymans Robertson

- The workshop considered how administration teams will need to evolve in order to be ready for the increasing challenges of the LGPS
- The groups considered the following questions:
 - How are the needs of LGPS members changing?
 - What would the ideal administrative service look like?
 - What steps can we make to move towards the ideal?
- Among the themes that emerged from discussions:
 - An expectation from members for immediate 24/7 access to information and instant turnaround times
 - Technology will be central but sometimes members will still want to talk to a person
 - The skills needed within admin teams are changing. In future there will be more roles for IT experts, data analysts, project managers and change management experts.
- Both workshops were positive about the future. A number of funds are already thinking strategically about how their administration function will develop over time to meet changing needs.

The Administration challenge: Annemarie van Bochove Allen, Barnett Waddingham

- Annemarie reiterated the juggling act and plate spinning which LGPS funds are having to contend with. She emphasised the need for good resources, IT, time, people and the necessary budget to do a good job. The workshop covered 3 areas:
 - Data Prep for the 2022 Valuation: Feedback focussed on hints and tips on getting ready for the demands of the valuation
 - McCloud discussions: Whilst there are no answers, the workshop attendees shared their experiences and the planning that was underway in the funds.
 - Training and staff issues across the funds: Feedback focussed on tangible actions to widen talent pools, recruiting the right skillsets, and developing LGPS knowledge through training,

Session 3: Managing Change, Projects and Regulatory Implementation

Janet Morville-Smith, James Clarke and Neil Lewins, Local Pensions Partnership Administration Ltd (LPPA)

- James talked about LPPA's dedicated Business Change team who are tasked with planning, managing and delivering change across the organisation. They have a range of governance forums, covering both large- and small-scale business changes.
- James also highlighted LPPA's internal process where colleagues can put forward ideas that can be assessed and implemented quickly to immediately benefit the team, members, and employers.
- Janet discussed LPPA's approach to regulatory change, covering robust horizon scanning and responding to consultations in collaboration with clients to impact-assess and respond to the Regulator.

Session 4: National Frameworks

Jo Quarterman and Leon Thorpe, National LGPS Frameworks

- Jo gave a potted history of the National LGPS Frameworks highlighting the collaboration of funds to provide an effective, efficient, and compliant way to meet the specific procurement needs of the LGPS, whilst leveraging their market influence and collective buying power. Since 2012, 99% of LGPS funds have used the framework and 100% of investment pools have accessed one or more frameworks.
- Leon covered the benefits of the Frameworks, which reduce the procurement burden on funds by allowing a full procurement exercise to be run once by the Framework on behalf of funds; subsequent mini-competitions by funds amongst the successful Framework providers give quicker access to services as terms and conditions have been agreed beforehand.
- The Frameworks' success means continued growth. The new Pensions Administration Software Framework went live on April 2020 and proved popular despite lockdown. The Third-Party Administration Services Framework is currently being re-let and the Pensions Administration Operational Support Services Framework will be coming soon.
- Last but not least, Jo and Leon gave some top tips for successful procurement – plan ahead, be clear on what you really need, and ask appropriate questions of providers.

Session 5: What's new on the tPR Single Code of Practice?

Laura Caudwell, Aon

- Laura discussed the new module-based approach for the upcoming tPR single Code of Practice (expected to be in place by Summer 2022). This sets out both the legal and best practice expectations for pension schemes and adopts a modular approach.
- One of the main concerns is the term 'Governing Bodies'. It is not clear who exactly this is referring to and is the main clarification LGPS funds have been seeking.
- In terms of what is specifically new, maintenance of IT systems and cyber controls are the 'freshest' areas for funds to consider. A similar theme is the need to assess and manage risk.
- The updated module on transfers closely links with the new pension scams module. It is important that funds keep a close eye on these issues and the ongoing guidance provided, as scammers are continually changing their approaches. (See also session 6 below).
- Laura closed by saying that assessing the level of compliance could be a big job for funds if they aren't sure how compliant they are with current regulation. She also made a plea for continuity planning to remain high on funds' agendas.

Day 2 - Session 6: Legal Update, LGPS Pension Scam cases review

Alec Bennett, Eversheds Sutherland

- With £1.8m lost to scammers during Q1 of 2021, the topic of protecting savers continues to be at the top of the agenda. In 2017 a DWP consultation concluded that there should be a ban on cold calling, a limit on the statutory right to transfer, and more hurdles to registering a new pension scheme.
- Alec's update focussed on the rules around members' statutory right to transfer. New regulations will come into force on 30 November with two conditions needing to be satisfied or a member will lose their statutory right to transfer:
 1. Relates to low risk schemes where there is a guaranteed right to transfer, with pension funds able to ask for the relevant information to complete the transfer.
 2. Relates to transfers to all other funds, where defined Red or Amber flags play a part. The presence of either flag may result in the transfer only being completed where the member has evidence of advice being taken from the Money and Pensions Advice Service. TPR has issued further guidance.

Alec also covered the Pensions Ombudsman's approach in the recent decision on transfers; one month, rather than the previously indicated period of three months, is a more reasonable timeframe to implement change to processes following updates from tPR.

Session 7: McCloud and more

Con Hargrave, Department for Levelling Up, Housing and Communities

- Con started his presentation with the message that MHCLG to DLUHC is "more than a name change". He talked through the 4 objectives of levelling up e.g. spreading opportunities and improving public service.
- The McCloud legislation has an 'in force' date of 1 April 2023. There may need to be further consultation and regulations around related tax implications.
- Exit payment reform and likely TCFD disclosure requirements were discussed. Asset pooling also got a mention – the focus is on stronger governance, improved reporting, and greater transparency on performance.
- What else is on the radar? The GAD 2019 Section 13 report (end of this year) and Cost Control reform consultation (next year - SAB and GAD will be discussing how to apply this to LGPS). The Good Governance project, survivor benefits changes, and outstanding consultations on Fair Deal and 4 yearly valuations were also mentioned. Busy times ahead!

Session 8: Working with the Pensions Ombudsman to improve dispute resolution

Mairi Dearden, The Pensions Ombudsman

- Mairi advised that the two key themes in her presentation were engagement and clear communications.
- The benefit of using TPO's early resolution service was raised and can be used before a member gets to IDR stage. An independent arbitrator can often resolve issues when a fund and member clash.
- A TPO survey is coming soon, and a refurbishment of the TPO website.
- Top tips focussed on the importance of communication, with a plea to ensure that funds still talk with members and that communication is not only in written form. Other top tips included avoiding delays for members, accepting responsibility, and apologising when the fund is at fault (put yourself in place of the member).

Chair's closing remarks

- In light of the topics raised at the conference, including McCloud, the Dashboard and change, Pat Luscombe urged funds to turn these challenges in to opportunities, using them to focus minds and budgets on the need for good quality, accessible and reliable data.



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

Report to:	LGPS Local Pensions Board
Date:	06 January 2022
Subject:	Work Programme

Summary:

This report provides the Board with an opportunity to consider its work programme for the coming meetings.

Recommendation(s):

To review the Board's future work programme and highlight any activity for inclusion in the work programme.

Background

1.1 The work programme, which is attached at Appendix A to this report, outlines the items for consideration at future meetings of the Board

Conclusion

2.1 Members of the Board are invited to review, consider, and comment on the work programme.

Consultation

a) Risks and Impact Analysis

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

Appendices

These are listed below and attached at the back of the report

Appendix A	Work Programme
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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 Claire Machej, Accounting, Investments and Governance Manager, who can be contacted on 01522 553641 or claire.machej@lincolnshire.gov.uk.

LGPS PENSION BOARD – WORK PLAN

6 January 2022	
Meeting Location: County Offices, Lincoln	
<i>Item</i>	<i>Lead Officer</i>
Pension Fund Update <i>(Report)</i>	Jo Ray (Head of Pensions)
Stewardship Update <i>(Report)</i>	Claire Machej (Accounting, Investment and Governance Manager)
Pensions Administration Update <i>(Report)</i>	Yunus Gajra (Assistant Director – Finance, Administration and Governance, West Yorkshire Pension Fund)
Working with Employers <i>(Presentation)</i>	Ammie McHughes (Employer Relations Manager, West Yorkshire Pension Fund)
The Pension Regulator Data Scores <i>(Report)</i>	Yunus Gajra (Assistant Director – Finance, Administration and Governance, West Yorkshire Pension Fund)
Employer Monthly Submissions Update <i>(Report)</i>	Claire Machej (Accounting, Investment and Governance Manager)
Annual Report and Accounts 2020/21 – External Audit Outcomes <i>(Report)</i>	Claire Machej (Accounting, Investment and Governance Manager)
Training Needs <i>(Report)</i>	Claire Machej (Accounting, Investment and Governance Manager)
Workplan <i>(Report)</i>	Claire Machej (Accounting, Investment and Governance Manager)

17 March 2022	
Meeting Location: TBC	
<i>Item</i>	<i>Lead Officer</i>
Pension Fund Update <i>(Report)</i>	Jo Ray (Head of Pensions)
Stewardship Update <i>(Report)</i>	Claire Machej (Accounting, Investment and Governance Manager)
Pensions Administration Update <i>(Report)</i>	Yunus Gajra (Assistant Director – Finance, Administration and Governance, West Yorkshire Pension Fund)
Temporary Bank Accounts <i>(Report)</i>	Yunus Gajra (Assistant Director – Finance, Administration and Governance, West Yorkshire Pension Fund)
Employer Monthly Submissions Update <i>(Report)</i>	Claire Machej (Accounting, Investment and Governance Manager)
Annual Review of Policies <i>(Report)</i>	Jo Ray (Head of Pensions)
Business Plan and Budget Setting for the Pension Fund <i>(Report)</i>	Jo Ray (Head of Pensions)
Annual Report and Accounts 2021/22 – Review of Accounting Policies <i>(Report)</i>	Claire Machej (Accounting, Investment and Governance Manager)
Training Needs <i>(Report)</i>	Claire Machej (Accounting, Investment and Governance Manager)
Workplan <i>(Report)</i>	Claire Machej (Accounting, Investment and Governance Manager)

14 July 2022

Meeting Location: TBC

<i>Item</i>	<i>Lead Officer</i>
Pension Fund Update (<i>Report</i>)	Jo Ray (Head of Pensions)
Stewardship Update (<i>Report</i>)	Claire Machej (Accounting, Investment and Governance Manager)
Pensions Administration Update (<i>Report</i>)	Yunus Gajra (Assistant Director – Finance, Administration and Governance, West Yorkshire Pension Fund)
The Pension Regulator Data Scores (<i>Report</i>)	Yunus Gajra (Assistant Director – Finance, Administration and Governance, West Yorkshire Pension Fund)
Employer Monthly Submissions Update (<i>Report</i>)	Claire Machej (Accounting, Investment and Governance Manager)
Annual Review of Pension Fund Risk Register (<i>Report</i>)	Jo Ray (Head of Pensions)
Annual Report and Accounts 2021/22 – Approval of Draft Report and Accounts (<i>Report</i>)	Claire Machej (Accounting, Investment and Governance Manager)
Training Needs (<i>Report</i>)	Claire Machej (Accounting, Investment and Governance Manager)
Workplan (<i>Report</i>)	Claire Machej (Accounting, Investment and Governance Manager)

13 October 2022
Meeting Location: TBC

<i>Item</i>	<i>Lead Officer</i>
Pension Fund Update (<i>Report</i>)	Jo Ray (Head of Pensions)
Stewardship Update (<i>Report</i>)	Claire Machej (Accounting, Investment and Governance Manager)
Pensions Administration Update (<i>Report</i>)	Yunus Gajra (Assistant Director – Finance, Administration and Governance, West Yorkshire Pension Fund)
Temporary Bank Accounts (<i>Report</i>)	Yunus Gajra (Assistant Director – Finance, Administration and Governance, West Yorkshire Pension Fund)
Employer Monthly Submissions Update (<i>Report</i>)	Claire Machej (Accounting, Investment and Governance Manager)
Annual Report and Accounts 2021/22 – External Audit Update Report (<i>Report</i>)	Claire Machej (Accounting, Investment and Governance Manager)
Training Needs (<i>Report</i>)	Claire Machej (Accounting, Investment and Governance Manager)
Workplan (<i>Report</i>)	Claire Machej (Accounting, Investment and Governance Manager)