

**PRESENT:**

**Independent Chair:** Roger Buttery

**Employer Representatives:** Peter Allan

**Scheme Member Representatives:** Kim Cammack

Officers in attendance:-

Michelle Grady (Assistant Director – Finance), Jo Kempton (Head of pensions), Claire Machej (Accounting, Investments and Governance Manager), Josh Drotleff (Finance Technician) and Thomas Crofts (Democratic Services Officer)

Others in attendance:-

Matt Mott (West Yorkshire Pension Fund)

11 APOLOGIES FOR ABSENCE

An apology for absence was received from David Vickers (Scheme Member Representative)

12 DECLARATIONS OF INTEREST

Kim Cammack declared an interest as a contributing member of the Pension Fund and an employee of Lincolnshire County Council.

Peter Allan declared an interest as a contributing member of the Pension Fund.

Roger Buttery declared an interest as his daughter was a contributing member of the Pension Fund.

13 MINUTES OF THE PREVIOUS MEETING HELD ON 9 NOVEMBER 2023

RESOLVED

That the minutes of the meeting held on 9 November 2023 be approved as a correct record and signed by the Chairman.

14 PENSION FUND UPDATE REPORT

**LGPS LOCAL PENSION BOARD**  
**11 JANUARY 2024**

Consideration was given to a report which updated the Board on Fund matters for the quarter ending 30 September 2023 and any other current issues. The Board was guided through the report and the following key points were highlighted:

- New risks had been added to the risk register regarding asset pooling following the government's consultation.
- The Councils accounts and the fund's accounts had been signed off by the external auditors and were now up to date.
- The key points from the Pension Regulator's annual survey were highlighted.

The Board was satisfied with the report and noted the following:

- The Pensions Committee had agreed to recruit an independent investment advisor.
- Pensions Committee members had been reminded to complete the toolkit training. Currently, three members had not completed the training and had passed their six-month window to complete, two new members had not completed their training but were still within their six-month window.

**RESOLVED**

That the report and comments made be noted.

**15      PENSIONS ADMINISTRATION REPORT**

Consideration was given to a report prepared by the Fund's pension administrator, West Yorkshire Pension Fund (WYPF). The Board was guided through the report, and the following matters were highlighted:

- Further progress had been made regarding staffing and resourcing and performance across key areas was improving.
- Scheme membership had increased, resulting in increased workloads.
- Recruitment was a rolling process as there was a nationwide shortage of qualified personnel.
- The shared service risk register had been reviewed and it was highlighted that Risk 2 needed further review once the Shared Service Refresh has been completed.
- Guidance for scheme members regarding McCloud had been distributed via the Winter newsletters.
- Ongoing Internal Dispute Resolution Procedure cases were outlined.

The Board discussed the report, and the following comments were raised:

- Recruitment and resourcing were an ongoing matter and WYPF had experienced peaks and troughs which impacted workflows at various points throughout the year.

- Legal delays had stalled the processing of cases at the Pensions Ombudsman and had resulted in a backlog of up to 18 months.

The Board felt that it would be beneficial to invite Euan Miller, Managing Director – WYPF, to a subsequent meeting to hear more about the administrator’s position.

#### RESOLVED

1. That the report and comments made be noted.
2. That Euan Miller, Managing Director – WYPF, be invited to a subsequent meeting of the LGPS Local Pension Board.

#### 16 DATA QUALITY REPORT

Consideration was given to a report prepared by the Fund’s pension administrator, West Yorkshire Pension Fund (WYPF). The Board was guided through the report and the following matters were highlighted:

- Common data scores were at 96.18% and that the scheme specific data score was at 87.68%.
- There were 2,488 addresses missing for deferred members – an increase of 107.
- As a result of the data scores, WYPF had devised a Data Improvement Plan which identified the issues with the data and the resolutions required.
- Automated software had been explored under the Data Improvement Plan but was found not to give good value for money.
- The Pensions Regulator provided a report on WYPF which had an overall green (good) rating with further recommendations that were considered and captured under the Data Improvement Plan.

The Board discussed the report and noted that the administrator currently had too little capacity to rollout the use of automated record keeping as widely as anticipated.

#### RESOLVED

That the report and comments made be noted.

#### 17 DATA ANALYSIS REVIEW

Consideration was given to a report and presentation by West Yorkshire Pension Fund, which gave a statistical comparison of Lincolnshire Pension Fund against other funds that they administered. Data concerning demographics, digital communications opt-outs, self-processing abilities and online access to pensions was explored.

Consideration was given to the report and during the discussion the following comments were raised:

- It was worrying that some members were choosing to opt-out of digital communications.
- Young members were engaging with the service. One example of how engagement with younger members was encouraged was that pensions information and guidance was presented to apprentices upon starting employment at Lincolnshire County Council.
- There was a need to make the My Pension web portal more user friendly and that an update on any progress concerning this matter be presented to them. The Board were advised that this the portal would be revamped with the rollout of the Pension Dashboard.

## RESOLVED

1. That the report be noted.
2. That an update on progress made with the My Pension revamp be communicated to the Board.

18 ANNUAL EMPLOYER ACTIVITY AND MONITORING REPORT

Consideration was given to a report from the Accounting, Investments and Governance Manager. The Board was guided through the report, and the following matters were highlighted:

- Eleven new employers had joined the Fund and three employers had left over the past year.
- Late and/or inaccurate employer submissions were low in number and there were no significant concerns to report regarding the matter.
- A list of fines issued was outlined within the report.
- Targeted work was underway to improve the data quality submitted by employers.

The Board discussed the report and noted that a large proportion of late submissions were due to issues with the employers' payroll providers, which proved the importance of good payroll arrangements and contract management where payroll was outsourced. This included conducting spot checks and monthly reviews.

The Board was notified that Lincolnshire County Council's payroll arrangements, currently outsourced to SERCO, were to be brought inhouse. It was anticipated that this would improve the accountability of the service and the quality of data submissions.

## RESOLVED

That the report and comments made be noted.

19 ANNUAL REPORT AND ACCOUNTS 2022/23: THE EXTERNAL AUDITOR'S AUDIT COMPLETION REPORT

Consideration was given to a report presented by the Accounting, Investment and Governance Manager which provided the Board with an update on the completion of the account sign off for 2022/23. It was reported that the external auditor's opinion had been received for the accounts and that work had been concluded. It was noted that the updated valuations received over the summer in unquoted holdings totalled £8million, and the final accounts had been adjusted accordingly.

The Board noted the report and commended officers for their work.

It was clarified that KPMG was the Council's newly appointed external auditor and that a representative would be invited to attend a subsequent Board meeting to introduce themselves and give an update.

RESOLVED

That the report and comments made be noted.

## 20 DLUHC POOLING CONSULTATION AND TRANSITION PLAN REPORT

Consideration was given to a report presented by the Head of Pensions which provided the Board with an update on the pension pooling consultation by the Department for Levelling Up, Housing and Communities (DLUHC), and presented a transition plan for the Fund. Attention was drawn to the following matters:

- The consultation period had concluded and there had been 152 responses. The Government had resolved to implement the proposals with no material changes following the consultation.
- The Government wished to accelerate and expand pooling, and to increase investment in levelling up and in private equity.
- If pension funds were not compliant in any of these expectations, they would have to provide detailed explanations. Central government also held powers to enforce compliance.
- It was anticipated that the reporting requirements set out in the consultation response would increase officer workload.
- The overall expectation was that there would be fewer and larger pools over the medium term.

The Board noted the report and the following comments were raised:

- Timescales set to meet the requirements were unrealistic.
- A consequence of further pooling would mean there would be a need for widescale rationalisation of funds.
- Concerns were raised that the requirements would set a precedence towards a scenario similar to that faced by Royal Mail's pension asset sell off.

**6**  
**LGPS LOCAL PENSION BOARD**  
**11 JANUARY 2024**

RESOLVED

That the report and comments made be noted.

**21**      TRAINING NEEDS

Consideration was given to a report by the Accounting, Investment and Governance Manager, which invited the Board to review training needs.

The Board discussed recent training events and noted that a group training session focussed on LOLA was scheduled for 15 February 2024, 10am in the Council Chamber.

RESOLVED

That the updates and comments made be noted.

**22**      WORK PROGRAMME

The Board considered its work programme and the following comments were raised:

- The Pension Regulator's new Code of Practice had been published and would be programmed to come to a subsequent meeting of the Board.
- The new external auditor, KPMG, was to be invited to a subsequent meeting of the Board.
- The Board were interested to receive an update regarding IDRPs procedures and how they were independently administered.
- A 12-month review on the impacts of the McCloud ruling would be presented to the Board by the end of the year.

RESOLVED

That the work programme be approved.

The meeting closed at 3.20 pm