



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

Report to:	<b>Pensions Committee</b>
Date:	<b>15 July 2021</b>
Subject:	<b>Report by the Independent Chair of the Lincolnshire Local Pension Board</b>

**Summary:**

The purpose of this report is:

- A) To update the Pensions Committee on the work of the Pension Board (PB) during the last few months;
- B) For the Pensions Committee to receive assurances gained from the PB's work; and
- C) For the Pensions Committee to consider recommendations from the PB.

**Recommendation(s):**

The Pensions Committee is requested to note the report.

**Background**

**1.0 OUTCOMES FROM PENSION BOARD MEETING ON 18 MARCH 2021**

1.1 The PB met on the 18 March and a particular focus was on the following:

- a) Employer Monthly Submissions and Contribution Monitoring.
- b) The Pension Regulator's Public Service Governance Survey.
- c) Pension Benefits in Suspense – temporary bank accounts.
- d) Governance – TPR Checklist Dashboard.
- e) Pension Board Membership.

- 1.2 **Employer Monthly Submissions and Contribution Monitoring** – the PB considered the standard report on employer monthly submissions for the quarter October to December 2020. There were five late payment of contributions and forty-eight late submissions of data. The quarter saw a deterioration in the performance of one of the larger payroll providers in submitting employer data into the portal. The payroll provider actively engaged with the fund and agreed a revised process which has improved performance. During the financial year, there were 20 cases of the late payment of contributions and 111 cases of the late submission of monthly returns. Given the difficult operating conditions as a result of the virus the PB accepted that some lapses were understandable. Efforts will, however, continue to remind employers/payroll providers of their duties and responsibilities through individual contacts either in person, by email or telephone. The Board will keep this issue under close review.
- 1.3 **The Pension Regulator’s Public Service Survey Governance and Administration Survey** – the PB considered the annual survey which had been completed by the PB Chairman with additional information from the Head of Pensions, and from the administrators, WYPF, where required. The survey covered a range of topics including Governance, Managing Risks, Administration and Record-Keeping Processes, Cyber Security, Annual Benefits Statements, Resolving Issues, Reporting Breaches, Governance and Administration, COVID-19 Pandemic, Pensions Dashboards, Climate Change, Perceptions of TPR and Attribution. The conclusions and outcomes from the survey will be shared with the PB when they are published later in the year.
- 1.4 **Pension Benefits in Suspense** – the Pensions Committee has been informed previously that when a member reaches pension age and they have not been successfully traced, WYPF set up a HSBC bank account with sub accounts for each pensioner. This avoids any unauthorised payment tax charges for the members once they are found. The PB considers a detailed report on the amounts currently held in these Sub Accounts and the proposed course of action to find the members at six monthly intervals. In the report to the March PB meeting, the number of temporary deposit accounts held for lost contact pensioners and deferred members was 60, with a total of £47,225 held by HSBC. The number of temporary deposit accounts held for post 2014 preserved refunds was 201, with a total of £26,513 held by HSBC. The PB was advised that WYPF review annually the bank accounts and carry out further traces to locate the rightful owners of the funds held on a temporary basis. The PB requested further information on the deposit accounts, including dates established.
- 1.5 **Governance – TPR Checklist Dashboard** – the PB regard Lincolnshire’s compliance with the Pension Regulator’s Code of Practice as very important in the overall context of governance of the pension scheme. It is pleasing to report that Lincolnshire was largely compliant in that there were 95 green and 1 not relevant out of 99 items in the Code. There were 3 partially compliant.

- 1.6 **Pension Board Membership** – it is pleasing to report that both Councillor Whittington and David Vickers were re-elected to the PB.

## **Conclusion**

### **ASSURANCES GAINED BY THE BOARD**

- 2.1 The vast majority of employers pay their contributions on time and submit the required documentation.
- 2.2 The PB has some concerns with the apparent delays in finding the rightful owners of pension benefits in suspense.
- 2.3 The fact that Lincolnshire is largely compliant with the TPR Checklist Dashboard gives the PB assurance that the Scheme is well governed.

**Roger BATTERY**  
**Independent Chairman**

June 2021

## **Consultation**

### **a) Risks and Impact Analysis**

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

## **Background Papers**

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

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