



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

Report to:	<b>Pensions Committee</b>
Date:	<b>16 March 2023</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):**

That the Committee consider the work of the Pension Board and the assurances gained from their work.

**Background**

**1.0 OUTCOMES FROM THE PENSION BOARD MEETING ON 1 DECEMBER 2022**

1.1 The PB met on the 1 December and the main focus was on the following issues:

- a) Services to members approaching retirement
- b) Freedom and choice, pension scams and transfers
- c) External audit update report
- d) Data improvement plan

1.2 **Services to members approaching retirement** – WYPF gave a presentation highlighting the following:

- the retirement process;

- an explanation of the rule of 85;
- the different types of retirement and their implications to the Fund, including flexible retirement, early retirement and ill health retirement;
- changes to pensionable pay across the various schemes; and
- the pre-retirement courses run by Affinity Connect which offered information on member expectations, planning and options.

Although there was a view that the letters sent to scheme members could be simplified and made clearer, the PB acknowledged that WYPF offer a good service for members approaching retirement.

**1.3 Freedom and choice, pension scams and transfers** – the PB received a report and presentation from WYPF on:

- Freedom and choice introduced in 2016;
- Transfers and concerns;
- Pension scams; and
- TPR transfer Pledge

The PB obtained comfort that WYPF were on top of these issues and acting appropriately. The PB members undertook to study the Pension Regulators latest module on transfer scams as part of their own training needs.

**1.4 External Audit Update Report** – the PB also considered a further report on the external audit of the Annual Report and Accounts for 2021/2022. The external auditor is expected to give an unqualified audit opinion on the pension scheme accounts alongside the audit opinion on the Council’s Statement of Accounts which is currently delayed because of national issues on the treatment of infrastructure. As an aside, I have recently had discussions with CIPFA and the Public Services Appointments Commission concerning the backlog in public sector accounts being finalised and signed off. Currently, there are over 600 opinions not signed off, some dating back to 2017/2018. There is both a capacity challenge and a problem on the regulatory front. Serious delays in local authority (and other public sector) audited final accounts are intrinsically damaging to financial management and stewardship.

**1.5 Data Quality Report** – WYPF updated the PB on data issues and a data improvement plan. The number of missing annual allowance calculations has increased because of additional caseloads and other work pressures. The pensions team face immense pressure in actioning this work alongside the work relating to the McCloud ruling and the pensions dashboard. Overall, WYPF is optimistic that necessary work can be actioned. However, workstreams could be more efficiently prioritised if the implementation of the dashboard was delayed. The Pensions Committee may wish to consider an approach to the LGA or the Pensions Minister to suggest a deferral because of the pressure on pension teams in administering authorities.

## **Conclusion**

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

- 2.1 The PB concluded that WYPF offer a good service for members approaching retirement.
- 2.2 The PB obtained comfort that WYPF is taking appropriate action in monitoring transfers out and alerting members in preventing pension scams.
- 2.3 The PB was delighted that the external auditor is expected to give an unqualified opinion on the Fund Statement of Accounts which demonstrates the excellent stewardship by the Lincolnshire Pension's Team and WYPF.
- 2.4 The PB recognises the work being undertaken on data issues but cannot provide full assurance on this aspect.

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

February 2023

## **Consultation**

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

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

## **Background Papers**

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

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