

**PRESENT:**

**Independent Chair:** Roger Buttery

**Employer Representatives:** Gerry Tawton

**Scheme Member Representatives:** Kim Cammack and David Vickers

Officers in attendance: Claire Machej (Accounting, Investment and Governance Manager), Jo Ray (Head of Pensions) and Thomas Crofts (Democratic Services Officer)

Others in attendance: Kelly Steele and Melanie Durrant (Barnett Waddingham)

71 APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor M Whittington.

72 DECLARATIONS OF INTEREST

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

Dave Vickers declared that he was a pensioner member of the Pension Fund.

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

73 MINUTES OF THE PREVIOUS MEETING HELD ON 14 JULY 2022

RESOLVED

That the minutes of the meeting held on 14 July 2022 be approved as a correct record and signed by the Chairman.

74 PENSION FUND UPDATE REPORT

Consideration was given to a report by the Head of Pensions, which provided an update on Fund matters for the quarter ending 31 March 2022, including updates on TPR Checklist Dashboard and Code of Practice, Breaches Register Update, Risk register Update, Asset Pooling Update, and the Department of Levelling-Up, Housing and Communities consultation on governance and the reporting of climate change risks.

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**LGPS LOCAL PENSION BOARD  
22 SEPTEMBER 2022**

Consideration was given to the report and during the discussion it was raised that there were gaps in training for members of the Pensions Committee. It was explained that proposals to change the Committee's terms of reference and structure had been drafted as part of the response to the good governance review and aimed to resolve this issue. It was also explained that the membership of the Committee was subject to rules on political balance and that attendance was reported in the Committee's Annual Report.

RESOLVED

That the report be noted.

75 RESPONSIBLE INVESTMENT UPDATE REPORT

Consideration was given to a report by the Accounting, Investment and Governance Manager, which provided an update on the Responsible Investment activity of the Local Authority Pension Fund Forum, Border to Coast Pensions Partnership, Robeco, and Legal and General Investment Management; an update on voting and an overview of the Border to Coast Environmental, Social and Governance (ESG) Reporting.

RESOLVED

That the report be noted.

76 PENSIONS ADMINISTRATION REPORT

Consideration was given to a report prepared by the Governance and Business Development Manager - West Yorkshire Pension Fund (WYPF), which provided an update on the Fund's current administration issues including performance and benchmarking; scheme information; member and employer contact; the internal dispute and resolution procedure; an administration update; current technical issues; web registrations and the shared service budget.

Consideration was given to the report and during the discussion the following points were noted:

- There were currently 15 vacant posts at WYPF, due to internal promotions and leavers. Six posts had been successfully recruited to.
- Cash alternatives to membership of the pension scheme were not allowed under the regulations for the local government pension scheme.
- The Pensions Dashboard was progressing and updates to the project were provided at monthly meetings between the Fund and WYPF.

The Board requested further detail concerning stage 2 appeals updates.

RESOLVED

1. That the report be noted.
2. That WYPF share further detail concerning stage 2 appeals.

77 TEMPORARY BANK ACCOUNTS

A report prepared by the Head of Governance and Business Development from the West Yorkshire Pension Fund (WYPF) and presented by the Head of Pensions, updated the Board on the number of temporary bank accounts created by the Fund to hold monies due to beneficiaries of the scheme.

Board members supported the use of follow up visits to contact beneficiaries and asking for a response to ensure benefits are claimed.

RESOLVED

1. That the report be noted.

78 SERVICES TO MEMBERS APPROACHING RETIREMENT (THE RETIREMENT PROCESS)

RESOLVED

That the report be deferred to a subsequent meeting of the Lincolnshire Pension Board.

79 EMPLOYER MONTHLY SUBMISSIONS UPDATE

Consideration was given to a report by the Accounting, Investment and Governance Manager, which provided up-to-date information on employer monthly submissions including late contributions and data submissions and late contribution fines.

Consideration was given to the presentation and during the discussions the following points were noted:

- Fines were targeted at employers and not their third-party payroll suppliers, as it was the employers' responsibility even if they chose to use a third-party payroll provider to deliver this service.
- Where an employer was in breach of the statutory deadlines but had kept the Fund informed of current issues and timescales for providing late data, extenuating circumstances may be accepted by the Fund and fines may not be issued. During quarter one of 2022/23 this had been offered to two employers, both were in the process of changing their payroll systems.

RESOLVED

That the Board support the actions taken against employers.

80 ANNUAL REPORT AND ACCOUNTS 2021/22: EXTERNAL AUDIT UPDATE REPORT

Consideration was given to a report by the Accounting, Investment and Governance Manager, which invited the Board to consider the external auditors progress report. It was highlighted that the audit of the Fund Statement of Accounts was largely complete and the external auditor was expected to give an unqualified audit opinion in November.

Consideration was given to the report and during the discussion the following points were noted:

- The audit team continued to undertake audit work remotely.
- The audit of the Council's Statement of Accounts was likely to delay the approval of the Fund's Statement of Accounts, as they currently had to be considered together.

RESOLVED

That the Annual Report and Accounts be noted.

#### 81 2022 VALUATION - DRAFT RESULTS

Consideration was given to a presentation by Barnett Waddingham, which covered the draft whole Fund results of the 2022 triennial valuation to the Committee.

The presentation covered the progress of the valuation to date, the initial results for the whole Fund, the Funding Strategy, and the next steps. The following was also reported:

- Contribution rates were expected to remain stable.
- The need for greater prudence meant that improvements in the funding position were not as good as predicted.
- Work concerning the McCloud ruling were underway.
- Inflation was predicted to be a longer-term issue than previously thought.
- The impact of the pandemic on the Fund was unclear and did not have a significant bearing on base longevity assumptions. However, increases in life expectancy were slowing.
- The proposed assumptions accounted for salary and pension increases and expected investment returns.
- Overall, the Fund was in a good position.

Consideration was given to the report and during the discussion the following points were noted:

- Primary contributions had risen, and secondary contributions had fallen. Where employers had moved into a surplus position, there was no refund on secondary rates already paid.
- There were concerns regarding the sustainability of contributions, as many employers were struggling to manage the increasing cost of inflation.

- Employers had been made aware of the potential primary contribution rises at the annual employer meeting earlier in the year. Further explanation, and the opportunity to discuss their individual rates will be offered to employers by way of online surgeries in November.
- Concerns were raised regarding balancing the Fund – between protecting the Fund and protecting employers, as well as weathering a recession.
- It was noted the increases in life expectancy were slowing and starting to reverse.

RESOLVED

That the report be noted.

82      TRAINING NEEDS

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

It was reported that the Hymans Robertson online training platform, LGPS Online Learning Academy (LOLA) was now available for all Board members to access and complete. Log on details were shared with the Board earlier in the month. The Committee and Board training meeting, Thursday 13 October, was to include an introduction to the package.

The Board discussed recent training events that they had attended.

RESOLVED

That the updates be noted.

83      WORK PROGRAMME

RESOLVED

1. That the work programme be noted.
2. That the Services to members approaching retirement (the retirement process) report on this meeting's agenda be deferred to a subsequent meeting.
3. That the Pensions Regulators Consolidated Code of Practice report be moved to the meeting on 16 March 2023

The meeting closed at 4.25 pm