

PRESENT: COUNCILLOR E W STRENGIEL (CHAIRMAN)

Councillors P Ashleigh-Morris, A W Briggs, S Bunney and T J N Smith

Co-Opted Members: Steve Larter (Small Scheduled Bodies Representative), P Key (District Councils Representative), Tom Hotchin (Academy Sector Representative) and Jo Balchin (Scheme Member Representative)

Officers in attendance:- Michelle Grady (Assistant Director - Finance), Jo Kempton (Head of Pensions), Claire Machej (Accounting, Investment and Governance Manager) and Thomas Crofts (Democratic Services Officer)

Other in attendance:- David Vickers (Employee Representative – LGPS Pensions Board) , Roger Buttery (Independent Chair – LGPS Pensions Board), Matthew Mott (West Yorkshire Pension Fund), Lisa Darvill (West Yorkshire Pension Fund), Jeff Houston (Barnett Waddingham) and Rashpal Khangura (KPMG)

23 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors M Allan and P Coupland.

24 DECLARATIONS OF MEMBERS' INTERESTS

Steve Larter (Small Scheduled Bodies Representative) declared an interest as an active and deferred member of the Pension Fund.

Tom Hotchin (Academy Sector Representative) declared an interest as an active member of the Pension Fund.

Jo Balchin (Scheme Member Representative) declared an interest as an active member of the Pension Fund.

Councillor P Key (District Council Representative) declared an interest as a pensioner member of the Pension Fund.

25 MINUTES OF THE PREVIOUS MEETING HELD ON 11 JANUARY 2024

RESOLVED

That the minutes of the meeting held on 11 January 2024 be approved as a correct record and signed by Chairman.

26 REPORT BY THE INDEPENDENT CHAIR OF THE LINCOLNSHIRE LOCAL PENSION BOARD

Consideration was given to a report by the Independent Chair of the Lincolnshire Local Pension Board which updated the Pensions Committee on the work of the Board during the past few months. The Board's findings were as follows:

- The timeliness of training completed by Committee members was still a concern.
- Staffing and resources continued to present an issue for the pension administrator, but they had nonetheless provided a good service.
- Data scores had progressed; however, full assurance had still not been achieved.
- Considering the size of the fund, payments and contributions were performing well.
- The Board commended the Council on getting all accounts signed off.

The Committee discussed the report, and it was noted that the majority of issues regarding data scores were inherited from the previous pensions administrator and did not affect pension values.

RESOLVED

That the report and comments made be noted.

27 PENSION FUND UPDATE REPORT

Consideration was given to a report which updated the Committee on Fund matters for the quarter ending 31 December 2023 and any other current issues. The Committee was guided through the report and the following key points were highlighted:

- Funding levels had increased from the last quarter to 94.6%.
- Two members were overdue on completing their TPR toolkit training.
- Border to Coast's latest activity was reported, and the Committee was again reminded to submit questions to be relayed to them.
- The Economic Activity of Public Bodies (Overseas Matters) Bill had progressed and was designed to 'prevent public bodies from being influenced by political or moral disapproval of foreign states when taking certain economic decisions'. Noncompliance could result in legal action, and it was important that minutes of meetings included clear references to the grounds on which they were taken and the advice received in connection with them..
- Recent comments from the Local Government Minister suggested that funds would have to comply or be compelled in relation to further pooling, should it be considered that they were not moving fast enough.

The Chairman reported that he had attended the LGC Governance Conference – discussions covered an update from DLUHC, changes to the Pensions Regulator Code, cyber security, responsible investing and derisking, and a knowledge and skills survey.

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

- The Committee expressed concern that they would now be unable to express a view on the impact of international affairs on investments and that such conversations were important in relation to risk. It was clarified that this was still appropriate in terms of considering ESG issues relevant to specific investments.
- The fund was still underweight in property; however, this was due to the closure of the Aviva fund and awaiting the opportunities to invest in the Border to Coast property funds. The timescale and costs of transitioning property investments was discussed.

RESOLVED

That the report and comments made be noted.

28 PENSIONS ADMINISTRATION REPORT

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

- Overall, KPIs had been successful.
- Regarding the payment of deferred benefits, statutory requirements had always been met. However, other high priority tasks sometimes overtook this aspect of administration.
- There had been an increase in the number of retirement estimate requests from employers, which had impacted other areas of work, as a high priority task.
- Eight staff vacancies had been filled, with five vacancies outstanding.
- The deadline for the Pensions Dashboard was October 2026. Work had progressed and delivery was on target for Spring 2025.
- Further guidance from the LGA was being sought in relation to lifetime allowances.

The Committee discussed the report, and the following comments were made:

- KPIs that had underperformed had not resulted in any complaints.
- It was clarified that there may be multiple Pensions Dashboards from different providers.

RESOLVED

That the report and comments made be noted.

29 LINCOLNSHIRE PENSION FUND POLICIES REVIEW

Consideration was given to a report which brought to the Committee the main policies of the Pension Fund for review. It was reported that the only policy to be updated was the Investment Strategy Statement, which incorporated an updated table of investment allocations, additional information on assets pooled with Border to Coast and a transition plan for the remaining assets. The key policies detailed in the report were as follows:

- Investment Strategy Statement
- Funding Strategy Statement
- Communications Policy
- Governance Compliance Statement
- Pensions Administration Strategy
- Breaches Reporting Policy
- Pension Fund Code of Conduct and Conflicts of Interest
- Stewardship Code Statement

The Committee noted the report and agreed the changes to the Investment Strategy Statement.

RESOLVED

1. That the policies set out in the report be approved.
2. That the updates to the Investment Strategy Statement be approved.
3. That the report be noted.

30 LINCOLNSHIRE PENSION FUND – BUSINESS PLAN 2024/25

Consideration was given to a report which presented the Lincolnshire Pension Fund Business Plan 2024/25 to the Committee for approval. It set out the overall objectives, Pension Fund Statistics, resources and budget, key tasks, key risks and the Forward Plan, including the need to recruit and support a new independent chair for the LGPS Pensions Board.

The Committee considered the report and it was clarified on the team's resources that it was a medium term ambition to fill both positions of Principal Accounting, Investment and Governance Officer, and that the first recruit would be settled into the team and progressing their CIPFA qualification before recruiting to the second post..

RESOLVED:

That the Lincolnshire Pension Fund Business Plan 2024/25 be approved.

31 ANNUAL REPORT AND ACCOUNTS 2023-24: REVIEW OF ACCOUNTING

ARRANGEMENTS AND ACCOUNTING POLICIES

Consideration was given to a report which brought the accounting arrangements and accounting policies for 2023/24, the audit plan from the external auditor and associated key dates to the Committee for consideration.

Rashpal Khangura from the external auditor, KPMG, highlighted the following matters from the audit plan:

- An indicative plan had been produced and would be finalised over the coming month and would be presented to the Committee for comment at the July meeting.
- Materiality levels for audit work were set out in the report and would be considered during the audit.
- The Council's general ledger migration had been identified as an additional key risk this year and has been included in the indicative audit plan.

The Committee was assured that KPMG had allocated sufficient resources to undertake the work.

RESOLVED

1. That the Committee note the changes to the Annual Report and Accounts and Statement of Accounts for 2023/24.
2. That the Committee approve the Statement of Accounting Policies for use in preparing the Local Government Pension Scheme (LGPS) Pension Fund accounts for the financial year ending 31 March 2024.
3. That the update from the External Auditor and indicative audit plan be noted.

32 CONSIDERATION OF EXEMPT INFORMATION

RESOLVED

That in accordance with section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that if they were present there could be a disclosure of exempt information as defined in Paragraph 3 of Part 1 of Section 12A of the Local Government Act 1972, as amended.

33 THE PENSION REGULATORS NEW GENERAL CODE OF PRACTICE

Consideration was given to a report and presentation for training on the Pension Regulators new General Code of Practice. A number of questions were asked and answered.

RESOLVED

That the exempt report and presentation be noted.

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PENSIONS COMMITTEE
21 MARCH 2024

The meeting closed at 11.45 am