



Open Report on behalf of Andrew Crookham, Deputy Chief Executive & Executive Director - Resources

Report to:	Pensions Committee
Date:	21 March 2024
Subject:	Lincolnshire Pension Fund Policies Review

Summary:

This report brings to the Committee any changes to the main policies of the Pension Fund for review.

Recommendation(s):

That the Committee discuss and consider the report and approve the Fund's updated Investment Strategy Statement.

Background

1. Under the various Local Government Pension Scheme Regulations, the Pensions Committee, as the Administering Authority of the Lincolnshire Pension Scheme, is required to produce and maintain a number of key policy documents. Policies are brought to the Committee annually where there have been changes. All policies will be reviewed at least every five years, to ensure they are still fit for purpose. This report presents any amendments to the policies for them to be formally endorsed by the Committee.

Policies for Approval

2. All key policies have been reviewed, and where material changes have been made these policies are attached as Annexes to this report, for the Committee to approve. Any significant changes will be brought to the Committee's attention and explained during the meeting. There is only one policy with key changes to bring in this report.

Appendix A – Investment Strategy Statement

3. The Investment Strategy Statement (ISS) sets out the Fund's approach to the investment of the Fund's assets, in accordance with the guidance issued by the Secretary of State. This has been updated following the changes agreed by the Committee to the strategic asset allocation, and additional information has been

added to reflect the future requirements on reporting on assets pooled and transition plans. The changes to the policy are:

- a) updating the table of the strategic asset allocation to reflect the changes made last year;
- b) adding a table to show assets pooled with Border to Coast; and
- c) adding a table to show the transition plan that was taken to the January 2024 Pensions Committee to explain how we would be pooling those assets that are not yet pooled.

Other Policies

4. The other key policies of the Lincolnshire Fund have not had any changes at this time or are brought separately to this meeting. To enable Committee members to remind themselves of the content of these policies, they can all be found on the Council's website at:

[Lincolnshire Pension Fund – Fund publications - Lincolnshire County Council.](#)

A brief description of these policies is set out in the paragraphs below.

Funding Strategy Statement

5. The FSS sets out the Fund's approach to managing its solvency and is generally updated every three years, in line with the Triennial Valuation. It is the framework that guides the Fund Actuary and informs the employers.

Governance Compliance Statement

6. The Governance and Compliance Statement sets out the arrangements for the management of the Pension Fund, and the Compliance Statement sets out the extent to which this policy complies with best practice, on a comply or explain basis.

Communications Policy

7. The Communications Policy sets out how the Fund intends to communicate with members, prospective members, and employers, including the format, frequency, and method of distributing any information or publicity. The Lincolnshire Pension Fund works with West Yorkshire Pension Fund to deliver the administration service to the scheme members and employers.

Pensions Administration Strategy

8. The Pensions Administration Strategy sets out how the shared administration service will communicate and liaise with employers, what the responsibilities are of the administration service, the administering authority, and the employers.

This policy is aligned to the shared service policy created in consultation with all shared service partners, but with some additional elements relating specifically to LPF.

Breaches Reporting Procedure

9. The Pension Regulator's Code of Practice requires all LGPS Funds to have a published procedure as to how breaches of the code will be dealt with and reported. The procedure details how individuals responsible for reporting and whistleblowing can identify, assess and report (or record if not reported) a breach of law relating to the Lincolnshire Pension Fund. It aims to ensure individuals responsible are able to meet their legal obligations, avoiding placing any reliance on others to report. The procedure will also assist in providing an early warning of possible malpractice and reduce risk.

Pension Fund Code of Conduct and Conflicts of Interest

10. The Pension Regulator's Code of Practice requires all LGPS Funds to have a published procedure as to how breaches of the code will be dealt with and reported. The procedure details how individuals responsible for reporting and whistleblowing can identify, assess and report (or record if not reported) a breach of law relating to the Lincolnshire Pension Fund. It aims to ensure individuals responsible can meet their legal obligations, avoiding placing any reliance on others to report. The procedure will also assist in providing an early warning of possible malpractice and reduce risk.

Stewardship Code Statement

11. This sets out how the Fund meets the twelve principles set out within the FRC's Stewardship Code, and the draft was brought to the September meeting of the Committee within the Responsible Investment Update Report. The FRC approved the Statement and the Fund remains a signatory.

Conclusion

12. The key policies of the Fund are reviewed regularly and brought to the Committee for consideration and approval at least every five years, and more frequently where changes are made.

Consultation

a) Risks and Impact Analysis

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

Appendices

These are listed below and attached at the back of the report	
Appendix A	Investment Strategy Statement

Background Papers

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

This report was written by Jo Kempton, who can be contacted on 01522 553656 or jo.kempton@lincolnshire.gov.uk.