

**PRESENT:**

**Independent Chair:** Roger Buttery

**Employer Representatives:** Councillor M A Whittington and Gerry Tawton

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

Councillors: attended the meeting as observers

Officers in attendance:-

Andrew Crookham (Executive Director Resources), Lisa Darvill (Client Relationships Manager, West Yorkshire Pension Fund), Cheryl Evans (Democratic Services Officer), Yunus Gajra (Head of Governance and Business Development, West Yorkshire Pension Fund), Claire Machej (Accounting, Investment and Governance Manager) and Jo Ray (Head of Pensions).

**39**      APOLOGIES FOR ABSENCE

There were no apologies for absence.

The Chairman welcomed Lisa Darvill, Client Relationship Manager, West Yorkshire Pension Fund, to her first meeting of the Board.

**40**      DECLARATIONS OF INTEREST

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

Councillor M A Whittington declared that his wife was in receipt of a pension from the Fund.

**41**      MINUTES OF THE PREVIOUS MEETING HELD ON 7 JANUARY 2021

During consideration of the minutes from the previous meeting held on 7 January 2021, the following updates were received:

- Further to Minute 32 [Pension Fund Update], the Executive Director – Resources advised the Board that the County Council accounts had still not been signed off owing to a valuation of the Energy from Waste Plant in North Hykeham, which had been raised by Mazars, the Council's external auditors. The valuation process was described to the Board. It was reiterated that although the delay had related to the County Council accounts and not the Pension Fund accounts, the way in which the

suite of accounts were compiled meant that the Pension Fund accounts had also been delayed. It was again confirmed that no issues had been raised by Mazars on the Pension Fund accounts. It was expected that the accounts would be signed off in the following days.

- Further to Minute 36 [Board to Coast Pensions Partnership Deep Dive], the Chairman advised that he would share the deep dive report with the chairmen of the pension boards from Border to Coast Pension Funds at their meeting in May 2021.

#### RESOLVED

That the minutes of the meeting held on 7 January 2021 be approved as a correct record and signed by the Chairman.

#### 42 PENSION FUND UPDATE REPORT

A report was submitted to the Board on various Pension Fund matters for the quarter ending 31 December 2020. These matters included the Pensions Regulator checklist dashboard; the breaches register; the risk register; asset pooling; good governance review; the Pensions Regulator's public service governance and administration survey 2020; independent advisor review against objectives; and investment consultancy contract.

Detailed at Appendix C to the report was a copy of the completed survey, which had been partially completed by the Chairman. The questions in the survey led to the following matters being confirmed to the Board:

- The Pensions Regulator expected at least 25 hours of continuous personal development per annum by each member of a Pension Board, although Lincolnshire Pension Board members received on average 30 hours per annum.
- The Chairman suggested that priority should be given to the implementation of the McCloud judgement over the pensions dashboard, which was supported by the Board.

The Pensions Committee had reviewed and endorsed the investment advisor's responses to the objectives, as set out in Appendix F to the report, at its meeting on 18 March 2021, with no further action required.

The Pensions Committee had given its support to the establishment of a working group to consider the investment consultancy service procurement, following the County Council elections in May 2021. It was hoped that a recommendation on the appointment of an investment consultancy service would be considered by the Committee in October 2021.

In relation to the good governance review, it was confirmed that Hymans Robertson had interviewed a wide range of stakeholders including Committee chairmen, S151 officers and Pension Officers.

RESOLVED

That the Pension Fund update report be noted.

43 PENSIONS ADMINISTRATION REPORT

The Head of Governance and Business Development from the West Yorkshire Pension Fund reported on the Fund's key performance and benchmarking for the period 1 October to 31 December 2020. The report also included information on the membership of the fund, including 'joiners' during the three month period; customer satisfactions scores; internal dispute resolution procedures; and several other administrative updates.

It was highlighted the Public Sector Exit Regulations 2020 had been revoked in February 2021, owing to unintended consequences, but there had been no relevant cases in the Lincolnshire Fund requiring retrospective action. Further regulations on the exit cap were expected.

Following the McCloud judgement, the Ministry of Housing, Communities and Local Government had shared feedback on its consultation on the proposed changes to the statutory underpin, which closed on 8 October 2020. The key points had been detailed in Appendix B.

The reasons why two particular employers had withdrawn from the West Yorkshire Pension Fund were explained to the Board, including not having any active members.

It was agreed to circulate the reasons for the West Yorkshire Pension Fund costs per scheme member averaging £10.84 below the adjusted peer average, as measured by CEM benchmarking.

It was reported that one recommendation remained outstanding from the internal audit report, and would be addressed.

The reasons for the shared service budget projecting an underspend of £2.09 million for 2020/21 were explained to the Board. It was highlighted that this information related to the whole West Yorkshire Pension Fund costs, and not just the shared service costs.

RESOLVED

That the Pension Administration report from the West Yorkshire Pension Fund be noted.

44 TEMPORARY BANK ACCOUNTS

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

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**LGPS LOCAL PENSION BOARD**

**18 MARCH 2021**

In response to a question, it was agreed that information on the deposit accounts, including dates established and the cumulative total, would be circulated to the Board, in an anonymous form.

RESOLVED

That the report on the use of temporary bank accounts by the West Yorkshire Pension Fund be noted.

45 EMPLOYER MONTHLY SUBMISSIONS UPDATE

This paper provides the Board with up-to-date information on Employer Monthly Submissions for the third quarter of the financial year 2020/21 (October to December inclusive).

Work was in hand with a particular payroll provider who had repeatedly submitted late data, to improve their performance.

RESOLVED

That the report on the employer monthly submissions for the third quarter of the financial year 2020/21 be noted.

46 LINCOLNSHIRE PENSION FUND POLICIES REVIEW

A report submitted on behalf of the Executive Director – Resources which advised the Board that under the Local Government Pension Scheme Regulations, the Pensions Committee, as the administering authority of the Lincolnshire Pension Scheme, was required to produce and maintain a number of key policies. The last comprehensive review of these policies had taken place in March 2020. Revised policies had been considered and approved by the Pensions Committee on 18 March 2021 and the Board was invited to give its consideration to the policies.

RESOLVED

That the following pension fund policies be noted:

- (a) the Fund's Investment Strategy Statement;
- (b) the Fund's Communications Policy;
- (c) the Fund's Governance Compliance Statement;
- (d) the Fund's Breaches Reporting Policy; and
- (e) the Fund's Code of Conduct and Conflicts of Interest.

47 LINCOLNSHIRE PENSION FUND - BUSINESS PLAN 2021/22

A report on the Lincolnshire Pension Fund Business Plan 2021/22 was submitted to the Board for its consideration. The Board was advised that the Pensions Committee had approved the business plan on 18 March 2021.

In response to a question on the future membership following the local government elections in May 2021 of the Boarder to Coast Joint Committee, which typically consisted of the chairmen of each pensions committee, it was explained that not all local authorities were holding elections in 2021. For this reason it was not considered a significant risk that membership would change. However, there was a need to ensure any new chairmen were fully trained.

RESOLVED

That the Lincolnshire Pension Fund Business Plan 2021/22 be noted.

48 ANNUAL REPORT AND ACCOUNTS 2020/21: REVIEW OF ACCOUNTING POLICIES

A report submitted on behalf of the Executive Director – Resources summarised changes to the Code of Practice on Local Authority Accounting which would be incorporated into the 2020/21 Statement of Accounts for Lincolnshire Pension Fund; the proposed amendments to the Accounts and Audit Regulations 2015 and their impact on the 2020/21 Statement of Accounts; and the review of the Council's Accounting Policies for the Pension Fund Statements.

It was highlighted that following the Redmond Review the deadlines for publishing draft and audited local authority accounts had been revised, with the draft accounts being published on or before 1 August; and the audited accounts by 30 September.

RESOLVED

- (1) That the changes required to the Statement of Accounts arising from the Code of Practice 2020/21 be noted.
- (2) That the proposed changes to the Accounts and Audit Regulations 2015, on which consultation was taking place, be noted.
- (3) That the Statement of Accounting Policies (as set out in Appendix A to the report) for use in preparing the Local Government Pension Scheme Pension Fund accounts for the financial year ending 31 March 2021 be noted.

49 LINCOLNSHIRE PENSION FUND - FUNDING STRATEGY STATEMENT AND EMPLOYER FLEXIBILITIES POLICIES

The Board was invited to consider a report, which provided an update to the Funding Strategy Statement, following the appointment of Barnett Waddingham, and new employer flexibilities policies in light of the new Regulations which came into force on 23 September 2020. The Regulations require these policies to be referenced in the Funding Strategy Statement.

RESOLVED

That the following documents be noted:

- (a) the updated Funding Strategy Statement;
- (b) the Deferred Debt and Debt Spreading Policy; and
- (c) the Contribution Review Policy be noted.

50 PENSION BOARD MEMBERSHIP

The Board considered the Pension Board roles which were due for appointment in July 2021 and the processes would be followed.

The Board thanked Mr Dave Vickers and Councillor M A Whittington for their contributions to the Board's proceedings and it was hoped that they would be re-appointed in the new Council year.

RESOLVED

That the report be noted.

51 TRAINING NEEDS

The Board considered the standard report on its training needs.

Members of the Board reflected on the training events which they had attended, which had included the Barnett Waddingham annual seminars; a Local Government Association session on local pension scheme issues; the Hymans Robertson webinars; and a Local Government Pensions Scheme webinar. In addition a joint training session between the Committee and the Board had taken place on 11 February 2021, which had provided members with an opportunity to meet the Fund's new actuary.

RESOLVED

That the report on the Board's training needs be noted.

**52     WORK PROGRAMME**

A report on the Board's work programme was submitted, which presented the items for consideration at future meetings.

RESOLVED

That the report on the work programme be approved.

**53     EXCLUSION OF PRESS AND PUBLIC**

RESOLVED

That, in accordance with Section 100 (A)(4) of the Local Government Act 1972, the press and public be excluded on the grounds that item 15 contained exempt information as defined in paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended.

**54     PENSIONS ADMINISTRATION SHARED SERVICE EXTENSION**

A report containing exempt information was submitted to the Board.

RESOLVED

That the recommendations as set out in the exempt report on the Pensions Administration Shared Service Extension be approved.

The meeting closed at 4.20 pm.