



County Offices  
Newland  
Lincoln  
LN1 1YL

5 October 2022

**Pensions Committee**

A special meeting of the Pensions Committee will be held on **Thursday, 13 October 2022** in the **Council Chamber, County Offices, Newland, Lincoln LN1 1YL** at **10.00 am** for the transaction of business set out on the attached Agenda.

Yours sincerely

A handwritten signature in black ink that reads 'Debbie Barnes'.

Debbie Barnes OBE  
Chief Executive

**Membership of the Pensions Committee**  
**(8 Members of the Council and 3 Co-Opted Members)**

Councillors E W Strenziel (Chairman), P E Coupland (Vice-Chairman), M G Allan, M A Griggs, T J N Smith, Dr M E Thompson and 1 Vacancy

**Co-Opted Members**

Mr A N Antcliff, Employee Representative  
Steve Larter, Small Scheduled Bodies Representative  
Councillor R Waller, District Council Representative



**PENSIONS COMMITTEE AGENDA  
THURSDAY, 13 OCTOBER 2022**

Item	Title	Pages
1	<b>Apologies for Absence</b>	
2	<b>Declarations of Members' Interests</b>	
3	<b>Pensions Committee Structure and Terms of Reference - Proposed Change</b> <i>(To receive a report from Jo Ray, Head of Pensions, which proposes a change to the structure of the Pensions Committee to meet the upcoming requirements of the Scheme Advisory Board Good Governance Review. In addition, amendments are proposed to the terms of reference in the Council's constitution to better reflect the requirements of members of the Pensions Committee)</i>	5 - 12

**Democratic Services Officer Contact Details**

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**Please Note:** for more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting

- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details set out above.

Please note: This meeting will be broadcast live on the internet and access can be sought by accessing [Agenda for Pensions Committee on Thursday, 13th October, 2022, 10.00 am \(moderngov.co.uk\)](https://www.lincolnshire.gov.uk/council-business/search-committee-records)

All papers for council meetings are available on:  
<https://www.lincolnshire.gov.uk/council-business/search-committee-records>

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

Report to:	<b>Pensions Committee</b>
Date:	<b>13 October 2022</b>
Subject:	<b>Pensions Committee Structure and Terms of Reference – proposed change</b>

**Summary:**

This report proposes a change to the structure of the Pensions Committee to meet the upcoming requirements of the Scheme Advisory Board Good Governance Review. In addition, amendments are proposed to the terms of reference in the Council's constitution to better reflect the requirements of members of the Pensions Committee.

**Recommendation(s):**

That the Committee consider and discuss the report and

- 1) approve the proposed Committee structure change to increase the number of Committee members by one enabling a place for a representative from the Academies sector; and
- 2) approve the updates to the terms of reference in the Council's constitution.

**Background**

1. As the Committee are aware, the Scheme Advisory Board (SAB) has undertaken a governance review of the LGPS, which resulted in a draft Good Governance Review report ([Good Governance Final Report February 2021.pdf \(lgpsboard.org\)](#)) being published in 2021 and which was shared with the Committee. DLUHC have approved the recommendations, with some minor changes, and it is expected that there will be a consultation shortly with the requirements coming into effect from 1 April 2023.
2. One of the areas within the report is about representation on Pension Committees of scheme employers, stating "the SAB's view is that it would expect scheme managers to have the involvement of employers and member representatives on any relevant committees". The current co-opted membership to the Lincolnshire Pensions Committee is for one member representing the district councils, one member representing small scheduled bodies and one representing scheme members. The

largest area not represented is the Academy sector, which makes up 177 of the Fund's 260 active employers (as at 31 March 2022).

3. With that in mind, and to meet the in-coming requirements from SAB, it is recommended to increase the membership of the Committee from three to four co-opted members – enabling a representative from the academy sector to join the Committee. As with all the current membership of the Committee, this would be a voting position. The overall size of the Committee would increase from eleven to twelve members.
4. Employers in the Academy sector would be asked to nominate individuals to fill this position and, if there were more than one candidate, a selection process would be undertaken by the Committee Chairman, Vice Chairman and Officers. This would ensure that any co-opted member fully understood the requirements of the position and had the capacity to be an active member of the Committee.
5. In addition to reviewing the structure of the Committee, work has been undertaken to review the terms of reference set out within the Council's constitution, to better reflect the role of the Committee. As the Committee are aware, there is a very broad range of knowledge required to be a member of the Pensions Committee, so the additional detail sets out more clearly what the expectations are.
6. The current terms of reference is set out in appendix A, and the amended terms of reference is set out in Appendix B, which also includes the proposed change in the structure of the Committee membership. If approved by the Committee, this will be taken to Full Council in December to update the constitution.

### **Conclusion**

7. The structure of the Pensions Committee has been reviewed to reflect the recommendations being made in the Good Governance Review, and it is recommended to increase the number of co-opted members by one, enabling a place for a representative from the Academies sector. This would increase the size of the Committee to twelve.
8. In addition, the wording has been updated in the terms of reference in the Council's constitution to better reflect the broad range of knowledge required to be a member of the Pensions Committee, setting out more clearly what the expectations are.
9. If the Committee approve the changes, this will be taken to Full Council in December to update the constitution.

### **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	Pensions Committee - current terms of reference
Appendix B	Pensions Committee - proposed terms of reference

### **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 Ray, who can be contacted on 01522 553656 or [jo.ray@lincolnshire.gov.uk](mailto:jo.ray@lincolnshire.gov.uk).

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**Pensions Committee – current terms of reference**

There will be a Pensions Committee having 11 members. 8 shall be Councillors representing the political balance of the Council overall in accordance with the terms of the Local Government and Housing Act 1989, together with three co-optees representing both the non-County Council employers in the Fund and individual Fund participants.

All members of the Committee including co-opted members shall be entitled to vote.

**Functions:**

- Drawing upon appropriate professional advice, to set investment policies for the Fund, including the establishment and maintenance of a strategic benchmark for asset allocation, and approval of the Investment Strategy Statement.
- To review the performance of Border to Coast Pensions Partnership Limited and its sub-funds, legacy fund managers and associated professional service providers.
- To approve the annual Report and Statement of accounts of the fund.
- To consider any other matters relevant to the operation and management of the fund.
- As necessary and appropriate issue instructions to the Council's representative as shareholder of Border to Coast Pensions Partnership Limited on matters affecting the exercise of the Council's rights as shareholder in the company.
- To respond to any relevant consultations impacting upon the benefit provisions of the Local Government Pension Scheme.

In fulfilling its functions the Committee shall have regard to the advice of the Lincolnshire Local Pension Board established in accordance with the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 and shall receive and consider recommendations from the Border to Coast Pensions Partnership Joint Committee.

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**Pensions Committee – proposed terms of reference**

There will be a Pensions Committee consisting of 12 members. 8 of the members will be Non-Executive Councillors and reflect the political balance overall. 4 members shall be co-optees representing the Academy Sector, the non-County Council employers in the Fund and scheme members.

All members of the Committee, including co-opted members, shall be entitled to vote.

**Role and purpose:**

The role of the Pensions Committee is to exercise the functions of the council in relation to the Lincolnshire County Council Pension Fund in conjunction with other bodies who contribute to the Fund in accordance with the Local Government Pension Scheme Regulations and associated legislation. This is a fiduciary role to ensure that the Fund is invested and managed for the benefit of scheme beneficiaries to ensure the long term objective is met of paying all benefits as and when they fall due.

The Committee is responsible for ensuring that the Fund is properly operated in accordance with all relevant regulations and best practice as advised by the Pensions Regulator, the Scheme Advisory Board, DLUHC and CIPFA, including both investment and administration matters.

In fulfilling its functions the Committee shall have regard to the advice of the Lincolnshire Local Pension Board established in accordance with the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 and shall receive and consider recommendations from the Border to Coast Pensions Partnership Joint Committee

**Functions:**

- Drawing upon appropriate professional advice, to set investment policies for the Fund, including the establishment and maintenance of a strategic benchmark for asset allocation, and approval of the Investment Strategy Statement.
- To give consideration to the agreed Investment and Responsible Investment Belief framework when setting investment policies and ensure that the Fund is meeting its Stewardship requirements, with support from the professional advisors and officers.
- To review the performance of Border to Coast Pensions Partnership Limited and its sub-funds, legacy fund managers, including their stewardship and responsible investment arrangements, with support from the professional advisors and officers.
- Appoint and review professional service providers including fund custodian, investment consultant and actuary, with support from the professional advisors and officers.
- To appoint and review the performance of the Fund's Administrator, with support from the professional advisors and officers.
- To review the performance of scheme employers in meeting their responsibilities.
- To review the Annual Report and Statement of Accounts of the Fund, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

- To approve the Annual Report and Statement of Accounts of the Fund.
- Carrying out the duties set out in the Regulations in relation to the actuarial valuation of the Fund and in relation to any other decisions about the amount the employers need to pay, and approval of the Funding Strategy Statement.
- To review and approve, on a regular basis, all required policies including, but not limited to, the Administration Strategy, Communications Policy, Governance Compliance Statement, Risk Management and Training Policy.
- To contribute to any relevant consultations impacting upon the governance, investment or benefit provisions of the Local Government Pension Scheme.
- To meet the minimum training requirements within the required timeframe, as set out in the Committee's Training Policy.
- To consider any other matters relevant to the operation and management of the Fund.
- To report to full Council on a regular basis on the committee's performance in relation to its effectiveness in meeting its purpose.