

**PRESENT: COUNCILLOR E W STRENGIEL (CHAIRMAN)**

Councillors P E Coupland (Vice-Chairman), M G Allan, A W Briggs and T J N Smith

Co-Opted Members: Steve Larter (Small Scheduled Bodies Representative), Cllr 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), Clair Machej (Accounting, Investments and Governance Manager), Josh Drotleff (Finance Technician), Thomas Crofts (Democratic Services Officer)

Others in attendance:-

David Vickers (Employee Representative – LGPS Pension Board), George Jabbour (Vice Chair – Border to Coast Joint Committee), Iain Campbel (Hymans Robertson), Anthony Petalas (Border to Coast), Jessie Wilson (Border to Coast) and Will Ballard (Border to Coast)

**1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Roger Buttery and Councillors P Ashleigh-Morris and S Bunney.

**2 DECLARATIONS OF MEMBERS' INTERESTS**

Councillor M G Allan declared an interest as a pensioner member of the Pension Fund.

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

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

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

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

**3 MINUTES OF THE PREVIOUS MEETING HELD ON 12 OCTOBER 2023**

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**PENSIONS COMMITTEE  
14 DECEMBER 2023**

RESOLVED

That the minutes of the meeting held on 12 October 2023 be approved as a correct record and signed by Chairman.

4 RESPONSIBLE INVESTMENT UPDATE REPORT

Consideration was given to a report presented by the Accounting, Investment and Governance Manager which provided the Committee with an update on Responsible Investment activity during the second quarter of the financial year 2023/24. Attention was drawn to the investing and voting activity of Border to Coast Pensions Partnership and the outcomes achieved through the LAPFF Engagement.

The Committee noted the report and were satisfied with the content.

RESOLVED

That the Responsible Investment activity undertaken during the quarter be noted.

5 BORDER TO COAST RESPONSIBLE INVESTMENT POLICY, CORPORATE GOVERNANCE AND VOTING GUIDELINES AND CLIMATE CHANGE POLICY ANNUAL REVIEW

The Committee received a report from the Head of Pensions, which highlighted the changes to Border to Coast's Responsible Investment (RI) Policy, Corporate Governance and Voting Guidelines, and Climate Change Policy. The following matters were highlighted:

- Changes to the RI and Climate Change policies were outlined.
- The Committee were being asked to consider aligning Lincolnshire Pension Fund's RI Policy and Corporate Governance and Voting Guidelines to those that had now been agreed by Border to Coast as the manager of the pension pool.
- Border to Coast had undergone a rigorous review process, as described in the report, in arriving at the changes made to their policies and guidelines.
- There was an upcoming regulatory requirement for Local Government pension funds to present climate and net zero reporting.
- Barnett Waddingham was due to present a training session to the Committee on climate and net zero reporting next year.

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

- Diversity and climate change considerations for RI were not legal obligations for the Fund at this time but were considered best practice. However, Task Force on Climate-related Financial Disclosures (TCFD) reporting, which was mandated for the private sector, was soon to become a regulatory requirement for Local Government pension funds.

- Considering material environmental, social and governance (ESG) issues ensured that investments prioritised companies that evidenced their sustainability over the long term, therefore reducing the risk to the Fund.

The Committee felt that further evidence was needed to demonstrate the benefits of considering ESG aspects when investing in terms of maximising returns. It was advised that information concerning this matter would be shared with the Committee.

RESOLVED

1. That the Committee consider the proposed Border to Coast Responsible Investment Policy, Corporate Governance and Voting Guidelines, and Climate Change Policy.
2. That the Committee agree to align the Lincolnshire RI Policy and Corporate Governance and Voting Guidelines to Border to Coast's.
3. That information on the benefits of considering ESG aspects when investing in terms of maximising returns be shared with the Committee.

#### 6 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 they 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.

#### 7 MARKET UPDATE REPORT

Consideration was given to an exempt report on which presented a market update to the Committee.

Questions were raised by the Committee and discussed.

RESOLVED

That the exempt report be noted.

#### 8 INVESTMENT UPDATE AND MANAGER PERFORMANCE REPORT

Consideration was given to an exempt report on investment and manager performance.

Questions were raised by the Committee and discussed.

RESOLVED

That the exempt report be noted.

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**PENSIONS COMMITTEE**

**14 DECEMBER 2023**

**9**      MANAGER PRESENTATION - BORDER TO COAST PENSIONS PARTNERSHIP

Consideration was given to an exempt report which introduced a manager presentation from Border to Coast.

Questions were raised by the Committee and discussed.

RESOLVED

That the exempt report be noted.

The meeting closed at 12.50 pm