



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

Report to:	<b>Pensions Committee</b>
Date:	<b>16 March 2023</b>
Subject:	<b>Lincolnshire Pension Fund Policies Review</b>

**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 Governance Policy and Compliance 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, and the last comprehensive review of all policies was March 2022. 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 changes have been made these are set out 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. At this time, there is only one policy with key changes to bring in this report. Contact details have been updated in all policies.

**Appendix A – Governance Policy and Compliance Statement**

3. The Governance Policy 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. The changes to the policy are:

- a) to add in the additional co-opted Committee member to represent the academies sector;
  - b) to update the role of the Committee following the changes to the constitution made in December;
  - c) to update the structure of the Committee meetings; and
  - d) updates throughout the document to reflect the above changes.
4. Within the compliance statement, the areas where the Fund is only partially compliant are detailed below:
- Principle A – Structure – (b) – the Committee does not include representatives for pensioner or deferred members.
  - Principle B – Representation – (a) - the Committee does not include representatives for pensioner or deferred members.
  - Principle E – Training/Facility Time/Expenses – (c) – the Committee has an annual training plan at Committee level, but not for individual members.

#### **Other Policies**

5. 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 shared website at:
- <https://www.wypf.org.uk/publications/policy-home/lpf-index/>.

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

#### **Funding Strategy Statement**

6. 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. This has been updated as part of the 2022 Valuation process and is brought to the Committee in agenda item 10.

#### **Investment Strategy Statement**

7. 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 will be updated and brought to a future meeting once the Committee has completed the strategic asset allocation review.

## **Communications Policy**

8. 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.

## **9. Pensions Administration Strategy**

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**

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 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**

11. 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**

12. This was brought to the December meeting of the Committee within the Responsible Investment Update Report.

## Conclusion

13. 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	Governance Policy and Compliance 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](mailto:jo.kempton@lincolnshire.gov.uk).