

Pensions Committee

2.00pm, Wednesday, 26 June 2019

Agenda Planning

| | |
|---------------------|---|
| Item number | 5.1 |
| Executive/routine | All |
| Wards | |
| Council Commitments | Delivering a Council that works for all |

1. Recommendations

The Pensions Committee (**Committee**) is requested to:

- 1.1 **note** the agenda planning document; and
- 1.2 **note** that the Pension Board are invited to comment on agenda items during Committee meetings.

Stephen S. Moir

Executive Director of Resources

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Agenda Planning

2. Executive Summary

- 2.1 This report and the scheme of committee document (appendix 1 of this report) provides the Committee with an overview of the proposed agendas for future meetings of the Pensions Committee and Pensions Audit Sub Committee. It also provides a more general overview of the current cycle of papers for those committees.
- 2.2 There will, of course, be specific matters and papers which need to be brought to attention of the committees in addition to those set out herein.

3. Background

- 3.1 In order for the Committee and Pension Board to gain an overview of the content of future meetings, it was agreed that an agenda planning document be submitted each quarter.
- 3.2 Committee meetings are held on a quarterly basis and the Audit Sub Committee meetings are generally held three times a year.

4. Main report

- 4.1 The proposed agendas for the next two meetings are therefore set out below, based on the usual Committee cycle plus any additional and intra-cycle requests.
- 4.2 The Statement of Investment Principles paper, scheduled for June 2019, has been postponed allowing for the outcome of the Joint Investment Strategy Panel meeting in June to be included.
- 4.3 Similarly, following FCA's determination upon LPFI Limited's application for extended permissions, the updated investment collaboration business case will be reported to the next meeting of the Committee as a private agenda item. This was considered by the boards of LPFE Limited and LPFI Limited in May 2019.

September 2019

| Pensions Committee | Audit Sub Committee |
|--|---|
| <ul style="list-style-type: none">• LPFE Limited and LPFI Limited Annual Reports (audited)• Audited Annual Report & Accounts of the Lothian Pension Fund and Scottish Homes Pension Fund, including the annual report by the external auditor.• Annual Report by External Auditor• Service Plan Update• Statement of Investment Principles• Employers Participating in Lothian Pension Fund• Risk management summary• Governance Update | <ul style="list-style-type: none">• LPFE Limited and LPFI Limited Annual Reports (audited)• Audited Annual Report & Accounts of the Lothian Pension Fund and Scottish Homes Pension Fund, including the annual report by the external auditor.• Annual Report by External Auditor• Pensions Data Quality• Irrecoverable overpayment of pensions – decisions made under delegated authority• Fraud Prevention• Risk Management Summary |

December 2019

| Pensions Committee | Audit Sub Committee |
|---|--|
| <ul style="list-style-type: none">• Referrals / recommendations from Pensions Audit-Sub Committee• Benchmarking• Funding update and preparation for the 2020 Actuarial Valuation• Stewardship and Engagement• Service Plan Update• Risk management summary• Governance Update | <ul style="list-style-type: none">• EU Tax Claims & Income Recovery• Investment Income Review-Cross-Border withholding tax• Investment Controls & Compliance• Global Custody Services Performance• Risk Management in-depth review |

Future Pensions Committee and Audit Sub Committee dates:

| Pensions Committee | Pensions Audit Sub Committee |
|---|--|
| <ul style="list-style-type: none">• Wednesday, 25 September 2019, 2.00pm, Dunedin Room, City Chambers.• Wednesday, 11 December 2019, 2.00pm, Dunedin Room, City Chambers.• Wednesday, 25 March 2020, 2.00pm, to be confirmed.• Wednesday, 24 June 2020, 2.00pm, Dunedin Room, City Chambers. | <ul style="list-style-type: none">• Tuesday, 24 September 2019, 2.00pm, Dunedin Room, City Chambers.• Tuesday, 10 December 2019, 2.00pm, Dunedin Room, City Chambers.• Tuesday, 23 June 2020, 2.00pm, Dunedin Room, City Chambers. |

5. Next Steps

5.1 None.

6. Financial impact

6.1 None.

7. Stakeholder/Community Impact

7.1 The Pension Board, comprising employer and member representatives, is integral to the governance of the pension funds and they are invited to comment on the relevant matters at Committee meetings.

7.2 There are no adverse health and safety, governance, compliance or regulatory implications as a result of this report. The forward planning of the Committees' agendas should facilitate improved risk management and governance for the pension funds.

7.3 There are no adverse sustainability impacts arising from this report.

8. Background reading/external references

8.1 None.

9. Appendices

Appendix 1 – Scheme of Committee Papers

| Frequency | Pensions Committee | Audit Sub Committee | Month |
|-----------------------------------|--|--|-----------|
| Annually | Audit plans and reports (internal and external) | N/A - Draft audits and plan will be developed in consultation with the Convenor of the Audit Sub Committee. | March |
| | Policies and Strategies Update (including revised Pension Administration Strategy biennial from March 2016) | N/A | March |
| | Service Plan (every 2 years) | N/A | March |
| | Budget | N/A | March |
| | Governance Update (including Pension Audit Sub-Committee appointments) | N/A | March |
| | LPF Annual Report and Accounts (Unaudited) | LPF Annual Report & Accounts (Unaudited) | June |
| | Statement of Investment Principles | N/A | June |
| | Joint Investment Strategy Panel Activity | N/A | June |
| | Annual Investment Updates - Lothian Pension Fund and Scottish Homes Pension Fund | N/A | June |
| | LPFE Limited and LPFI Limited Annual Reports (Audited) | LPFE Limited and LPFI Limited Annual Reports (Audited) | September |
| | Audited Annual Report and Accounts of the Lothian Pension Fund and Scottish Homes Pension Fund, including the Annual Report by External Auditor. | Audited Annual Report and Accounts of the Lothian Pension Fund and Scottish Homes Pension Fund, including the Annual Report by External Auditor. | September |
| | N/A | Pensions Data Quality | September |
| | N/A | Irrecoverable overpayment of pensions – decisions made under delegated authority | September |
| | N/A | Fraud Prevention | September |
| Annual Report by External Auditor | Annual Report by External Auditor | December (or September if available) | |
| Benchmarking | N/A | December | |
| N/A | EU Tax Claims and Other Income Tax Recoveries | December | |
| N/A | Investment Income Review-Cross-Border Withholding Tax | December | |
| Stewardship and Engagement | N/A | December | |
| N/A | Investment Controls and Compliance | December | |
| N/A | Global Custody Services Performance | December | |
| | Risk Management: In-depth review | December | |

| Frequency | Pensions Committee | Audit Sub Committee | Month |
|------------------|---|--|-------------------------------------|
| Semi Annually | Employers Participating in Lothian Pension Fund | N/A | March & September |
| 3 Times per year | Service Plan Update | N/A | March, September & December |
| | Referrals / recommendations from Pensions Audit-Sub | N/A | June, September & December |
| Quarterly | Risk management summary | Risk management summary | March, June, September and December |
| Every 3 years | Actuarial Valuation: LPF SHPF Funding Strategy Statement | | December or March |
| As required | Delegated authorities (provider appointments) Discretions (death grants etc.) N/A Regulatory Update Investment Strategy Reviews (at least every 3 years) N/A | N/A N/A Internal Audit Reports N/A N/A Particular items of risk management for greater scrutiny (as requested). | |