



Notice of Meeting and Agenda

Pensions Committee

2.00 pm Thursday, 23rd March, 2023

Carrick Suite, EICC, Morrison Street Edinburgh - EICC

This is a public meeting and members of the public are welcome to attend.

The law allows the Committee to consider some issues in private. Any items under “Private Business” will not be published, although the decisions will be recorded in the minute.

Contacts

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1. Quorum Check

- 1.1 The Convener will check to ensure a quorum is in attendance to ensure the meeting can proceed.

2. Order of Business

- 2.1 Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

3. Declaration of Interests

- 3.1 Members of the Committee and members of the Pensions Board should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

4. Deputations

- 4.1 If any

5. Minutes

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| 5.1 | Minute of Pensions Committee of 7 December 2022 (circulated) – submitted for approval as a correct record | 7 - 14 |
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6. Reports

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| 6.1 | Agenda Planning – report by the Chief Executive Officer, Lothian Pension Fund (circulated) | 15 - 24 |
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6.2	Referrals and Recommendations from Pensions Audit Sub-Committee	
6.3	Lothian Pension Fund - Internal Audit Update – February 2023 – report by the Head of Internal Audit, City of Edinburgh Council (circulated)	25 - 48
6.4	Lothian Pension Fund – Proposed Internal Audit Plan for 2023/24 - report by the Head of Internal Audit, City of Edinburgh Council (circulated)	49 - 62
6.5	External Audit Plan 2022/23 by Azets - report by the Chief Finance Officer, Lothian Pension Fund (circulated)	63 - 114
6.6	LPF Cost Benchmarking – report by the Chief Executive Officer, Lothian Pension Fund (circulated)	115 - 120
6.7	2023-24 Strategy & Business Plan (including Functional Plan and Budget) – report by the Chief Executive Officer, Lothian Pension Fund (circulated)	121 - 160
6.8	2022/23 Business Plan and Budget Update - report by the Chief Executive Officer, Lothian Pension Fund (circulated)	161 - 178
6.9	Administering Authority Discretions Policy - report by the Chief Operating Officer, Lothian Pension Fund (circulated)	179 - 190
6.10	Risk Management Summary – report by the Chief Risk Officer, Lothian Pension Fund (circulated)	191 - 206

7. Motions

7.1 If any

8. Resolution to Consider in Private

- 8.1** The Committee is requested, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the public from the meeting for the following items of business on the grounds that they would involve the disclosure of exempt information as defined in Paragraphs 1.3 and 6 of Part 1 of Schedule 7A of the Act.

9. Private Reports

- | | | |
|------------|--|-----------|
| 9.1 | Project Forth Update – report by the Chief Executive Officer, Lothian Pension Fund (circulated) | 207 - 218 |
| 9.2 | Employers Participating in Lothian Pension Fund – report by the Chief Operating Officer, Lothian Pension Fund (circulated) | 219 - 226 |

Nick Smith

Service Director – Legal & Assurance

Committee Members

Councillors Watt (Convener), Burgess, Doggart, Nicolson and Neil Ross; John Anzani and Richard Lamont.

Please note that members of the Pensions Board and the Independent Professional Observer will also be invited to attend and participate in the meeting.

Information about the Pensions Committee

The Pensions Committee consists of 5 Councillors and 2 external members and is appointed

by the City of Edinburgh Council in its separate capacity as administering authority of the Lothian Pension Fund. The Pensions Committee usually meets 4 times a year (every twelve weeks).

This meeting is being held in the Carrick Suite, EICC, Morrison Street, Edinburgh. The meeting is open to all members of the public.

Pension Board Members

Alan Williamson, Brian Robertson, Darren May, Jim Anderson, Sharon Dalli, Thomas Carr-Pollock, Tom Howorth, Nick Chapman and Tony Beecher.

Information about the Pension Board

The Pension Board consists of 10 members, 5 members from the employer bodies and 5 members from trade unions representing members within the pension funds as set out in the regulations.

The role of the Pension Board is to help ensure that the operation of the pension funds is in accordance with the applicable law and regulation.

<https://www.lpf.org.uk/us> .

Independent Professional Observer

Andy McKinnell

Information about the Independent Professional Observer

The Independent Professional Observer is appointed by the Lothian Pension Fund to help strengthen the Lothian Pension Fund's governance. The role is to provide independent observations to the Pensions Committee and Pension Board.

The purpose of the role is to enhance the scrutiny of the decision making and provide the Committee and Board with additional experience and knowledge impartial from the Lothian Pension Fund's Officers.

City of Edinburgh Council Oversight

The City of Edinburgh Council has statutory responsibility to administer the Lothian and Scottish Homes pension funds. In order to most effectively carry out that function (and to

reflect the separate statutory responsibilities, and regulation, of the pension funds) the City of Edinburgh Council has delegated management responsibility for the pension funds to the Lothian Pension Fund Group and its two arms-length companies LPFE Limited and LPFI Limited. Critical parent oversight continues to be carried out by the Pensions Committee and Dr Deborah Smart, Executive Director of Corporate Services for the City of Edinburgh Council, as the Administering Authority for the Fund, to ensure that its statutory functions are being properly carried out.

Lothian Pension Fund Senior Leadership Team

The senior leadership team responsible and accountable for the business and activities of the Lothian Pension Fund Group are:

David Vallery, Chief Executive Officer

Bruce Miller, Chief Investment Officer

Kerry Thirkell, Chief Risk Officer

John Burns, Chief Finance Officer

Helen Honeyman, Chief People Officer

Further Information and Contact

If you have any questions about the agenda or meeting arrangements, please contact Susan Handyside, Governance Manager, Lothian Pension Fund, Atria One, 144 Morrison Street, Edinburgh EH3 8EX, Tel 07771378238, email han24S33@lpf.org.uk .

The agenda, minutes and public reports for this meeting can be viewed via the City of Edinburgh Council committee portal.