



## **Pensions Committee**

2.00pm, Wednesday, 29 June 2022

### **Agenda Planning**

#### **1. Recommendations**

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The Pensions Committee (Committee) is requested to:

- 1.1 agree to hold an additional Pensions Committee meeting at the end August to consider project forth updates in advance of Full Council consideration.
- 1.2 note the agenda planning document; and
- 1.3 note that the Pension Board members are invited to comment on agenda items during Committee meetings.

#### **Struan Fairbairn**

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# Agenda Planning

## 2. Executive Summary

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- 2.1 This report and the agenda planning document (appendix 1) provide the Committee with an overview of the proposed agendas for future meetings of the Pensions Committee and Pensions Audit Sub Committee and the annual cycle.
- 2.2 There will, of course, be specific matters and papers which need to be brought to the attention of the committees in addition to those set out herein.

## 3. Background

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- 3.1 In order for the Committee and Pension Board to gain an overview of the content of future meetings, and also an awareness of the annual cycle of items, an agenda planning document is submitted each quarter.
- 3.2 Committee meetings are held on a quarterly basis and additionally as required; the Audit Sub Committee meetings are generally held three times a year.

## 4. Main Report

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- 4.1 The proposed agendas for the September and December meetings are set out below, based on the usual Committee cycle plus any additional and intra-cycle requests.
- 4.2 In addition to the proposed agendas, committee is requested to consider an additional meeting in August 2022. A meeting in August would allow committee members to receive an update on the new company:
  - legal structure statutory process,
  - progress on implementation,
  - the newco governance structure and an update on the governance; and
  - the approach to the ratification by the Full Councils of both CEC and FCPF in September 2022.
- 4.3 Due to the Council elections an Audit Sub Committee meeting has not been held this quarter. It is expected that committee will agree the membership of the Pension Audit Sub Committee at this meeting when considering the Annual Governance Update.
- 4.4 It had been anticipated that three reports would be tabled for the June Audit Sub Committee meeting, the Unaudited Annual Report and Accounts as at 31 March 2022, Risk Management Summary and an ICT and Cyber Security Update. The first

two reports were already scheduled to be considered by Pensions Committee and the latter report has been moved to the Pensions Committee agenda for consideration.

- 4.5 The Audit Sub Committee also requested that a further Data Quality update be tabled for consideration in June. This report has been deferred until the Audit Sub Committee meeting in September to allow officers to gather sufficient data to provide a meaningful report.

### September 2022

<b>Pensions Committee</b>	<b>Audit Sub Committee</b>
<ul style="list-style-type: none"> <li>• Referrals/ recommendations from Pensions Audit Sub Committee</li> <li>• Audited Annual Report and Accounts of the Lothian Pension Fund and Scottish Homes Pension Fund</li> <li>• Annual Report by External Auditor (if available)</li> <li>• Business and Budget Update</li> <li>• Administering Authority Discretions Policy</li> <li>• Employer Covenant Review</li> <li>• Lothian Pension Fund Contract Awards Report</li> <li>• Employers Participating in Lothian Pension Fund</li> <li>• Risk Management Summary</li> <li>• Project Forth Update</li> </ul>	<ul style="list-style-type: none"> <li>• Audited Annual Report and Accounts of the Lothian Pension Fund and Scottish Homes Pension Fund</li> <li>• Annual Report by External Auditor (if available)</li> <li>• Irrecoverable overpayment of pensions – decisions made under delegated authority</li> <li>• Data Quality Update</li> <li>• Fraud Prevention</li> <li>• Risk Management Summary</li> </ul>

### December 2022

<b>Pensions Committee</b>	<b>Audit Sub Committee</b>
<ul style="list-style-type: none"> <li>• Referrals/ recommendations from Pensions Audit Sub Committee</li> <li>• Benchmarking</li> <li>• Stewardship and Engagement</li> <li>• Business Plan and Budget Update</li> <li>• Risk Management Summary</li> <li>• Project Forth Update</li> </ul>	<ul style="list-style-type: none"> <li>• EU Tax Claims and Other Income Tax Recoveries</li> <li>• Investment Income Review-Cross-Border Withholding Tax</li> <li>• Pensions Data Quality</li> <li>• Global Custody Services Performance</li> <li>• Risk Management: In-depth review</li> <li>• LPF Group Controls and Compliance</li> </ul>

## Future Pensions Committee and Audit Sub Committee dates

The Committee meeting dates for 2022/23<sup>1</sup> are set out below and calendar invites will be sent to you via committee services shortly. These meetings will be held in person with the option, if required, to attend virtually.

Pensions Committee	Audit Sub Committee
<ul style="list-style-type: none"><li>• Wednesday, 28 September 2022, 2.00pm,</li><li>• Wednesday, 7 December 2022, 2.00pm,</li><li>• Monday, 20 March 2023, 2.00pm,</li><li>• Wednesday, 21 June 2023, 2.00pm,</li></ul>	<ul style="list-style-type: none"><li>• Tuesday, 27 September 2022, 2.00pm,</li><li>• Tuesday, 6 December 2022, 2.00pm,</li><li>• Monday, 19 June 2023, 2.00pm,</li></ul>

## 5. Financial impact

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5.1 None.

## 6. Stakeholder/Regulatory Impact

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- 6.1 The Pension Board, comprising employer and member representatives, is integral to the governance of the fund and they are invited to comment on the relevant matters at Committee meetings.
- 6.2 There are no adverse health and safety, governance, compliance or regulatory implications as a result of this report.

## 7. Background reading/external references

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7.1 None.

## 8. Appendices

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Appendix 1 – LPF’s Annual Agenda Planning Cycle

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<sup>1</sup> Please note that the 2023 Pension Committee dates will be subject to change depending on progress with Project Forth.

Frequency	Pensions Committee	Audit Sub Committee	Month
Biennial	Pension Administration Strategy (presented in March 2022)	N/A	September
	Administering Authority Discretions Policy. Next review due September 2022	N/A	September
Annually	LPF Strategy and Business Plan (operating plan) and Budget		March
	Audit Plans (Internal and External)	<i>Draft internal audits and plan will be developed in consultation with the Convenor of the Audit Sub Committee, the CEO (LPF) and, if appropriate, the Independent Professional Observer and circulated to the Audit Sub Committee members for comment.</i>	March
	Policies and Strategies Update (including revised Pension LPF Budget)	N/A	March
	LPF Annual Report and Accounts (Unaudited)	LPF Annual Report & Accounts (Unaudited)	June
	LPF Internal Audit Opinion	LPF Internal Audit Opinion	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
	Annual LPF Group Governance Update	N/A	June
	Employer Covenant Review	N/A	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	Irrecoverable overpayment of pensions – decisions made under delegated authority	September	
N/A	Fraud Prevention	September	
Lothian Pension Fund Contract Awards Report	N/A	September	

Frequency	Pensions Committee	Audit Sub Committee	Month
	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	Pensions Data Quality	December
	N/A	Global Custody Services Performance	December
	N/A	Risk Management: In-depth review LPF Group Controls and Compliance	December
<b>Semi Annually</b>	Employers Participating in Lothian Pension Fund	N/A	March & September
<b>3 Times per year</b>	Operating Plan and Budget Update	N/A	March <sup>1</sup> , September & December
	Referrals / recommendations from Pensions Audit-Sub	N/A	June, September & December
<b>Quarterly</b>	Risk Management Summary	Risk Management Summary (In-depth report in December)	March, June, September and December

<sup>1</sup> The March update will have the dual purpose of an operating plan update, budget review and budget approval for the forthcoming financial year.

Frequency	Pensions Committee	Audit Sub Committee	Month
Every 3 years	Actuarial Valuation: LPF SHPF Funding Strategy Statement (review due June 2023 with final version presented for approval in March 2024) Operating Plan (next due March 2023)	N/A	December or March March
As required	Delegated authorities (provider appointments) Discretions (death grants etc.) N/A Regulatory Update Investment Strategy Reviews (at least every 3 years - next due June 2024)	N/A N/A Internal Audit Reports N/A N/A	