



Pensions Committee

1.30pm, Monday, 5 December 2023

Agenda Planning Update

Item number 6.2

1. Recommendations

The Pensions Committee (Committee) is requested to:

- 1.1 note the agenda planning document and the action tracker (appendix 2);
- 1.2 note that the Pension Board members are invited to comment on agenda items during Committee meetings; and
- 1.3 note that the Audit Sub Committee will have an additional meeting 19 March 2024 to consider the actuarial valuation and the AVC review paper.

David Vallery

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Agenda Planning Update

2. Executive Summary

- 2.1 This report and the agenda planning document (appendix 1) provides 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 The report also provides committee an update on key actions from its meeting in September 2023 (appendix 2).
- 2.3 There will, of course, be specific matters and papers which need to be brought to the attention of the committee 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, and an awareness of the annual cycle of items, an agenda planning document is submitted each quarter.
- 3.2 In June 2023 committee also requested that an action tracker be tabled for consideration and to update the committee on progress with actions agreed.
- 3.3 Committee meetings are held on a quarterly basis and additionally as required; the Audit Sub Committee meetings are held at least three times a year.
- 3.4 At its meeting in June 2023, the Audit Sub-Committee agreed to hold an additional meeting in March 2024 if required.

4. Main Report

Agenda Planning

- 4.1 The proposed agendas for the March 2024 and June 2024 meetings are set out in the following tables, based on the usual Committee cycle plus any additional and intra-cycle requests.
- 4.2 The convenor of the Audit Sub Committee has requested that the committee hold an additional meeting on Tuesday 19 March to provide greater oversight and consideration of the actuarial valuation report.
- 4.3 Additionally, it is proposed that the AVC review, which was due to be considered in December, is also considered in March 2024. This deferral of this report will allow the outcome of the provider meetings, being held in November, to be reported and

will also enable LPF to report on the National LGPS Framework for AVCs that will be launched in March 2024.

March 2024

Pensions Committee

- LPF Strategy and Business Plan (operating plan) and Budget
- Actuarial Valuation for Lothian Pension Fund
- Actuarial Valuation for Scottish Homes Pension Fund
- Funding Strategy Statement
- Audit Plans (Internal and External)
- LPF Internal Audit Review
- Policies and Strategies Update
- Benchmarking
- Risk and Compliance update

The Audit Sub Committee meet three times a year but have an additional meeting scheduled on Tuesday 19 March 2024.

June 2024

Pensions Committee

- Referrals/ recommendations from Pensions Audit Sub Committee
- LPF Annual Report and Accounts (Unaudited)
- Internal Audit Opinion
- Statement of Investment Principles
- Joint Investment Strategy Panel Activity
- Annual Investment Update – Lothian Pension Fund
- Annual Investment Update - Scottish Homes
- Annual LPF Group Governance Update
- Risk and Compliance Update

Audit Sub Committee

- LPF Annual Report and Accounts (Unaudited)
- LPF Internal Audit Opinion
- Internal Audit Update
- Risk and Compliance Update

Future Pensions Committee and Audit Sub Committee dates

4.4 The Committee meeting dates for 2023/24 are set out below and calendar invites have been issued to you. These meetings will be held in person with the option, if required, to attend virtually.

Pensions Committee

- Wednesday 20 March 2024 at 2pm
- Wednesday 26 June 2024 at 2pm

Audit Sub Committee

- Tuesday 19 March 2024 at 2pm
- Tuesday 25 June 2024 at 2pm

5. Financial impact

5.1 None.

6. Stakeholder/Regulatory Impact

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

7.1 [City of Edinburgh Council, Committee Terms of Reference \(sections 13 and 24\)](#)

8. Appendices

Appendix 1 – LPF’s Annual Agenda Planning Cycle

Appendix 2 – Action Tracker

Appendix 1

Frequency	Pensions Committee	Audit Sub Committee
Every 3 years	<p>December or March</p> <p>Actuarial Valuation: LPF SHPF (next report due March 2024)</p>	N/A
	<p>March</p> <p>Funding Strategy Statement (review due June 2023 with final version presented for approval in March 2024)</p>	N/A
Biennial	<p>September</p> <p>Pension Administration Strategy (presented in March 2022)</p>	N/A
	<p>Administrating authority Discretions Policy. Next review due September 2024</p>	N/A
Annually	<p>March</p> <p>LPF Strategy and Business Plan and Budget Audit Plans (Internal and External)</p>	<p>N/A</p> <p><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></p>
	<p>Benchmarking – Investment and Administration Costs</p> <p>June</p> <p>LPF Annual Report and Accounts (Unaudited) LPF Internal Audit Opinion Statement of Investment Principles Joint Investment Strategy Panel Activity Annual Investment Updates - Lothian Pension Fund and Scottish Homes Pension Fund Annual LPF Group Governance Update</p>	<p>N/A</p> <p>LPF Annual Report & Accounts (Unaudited) LPF Internal Audit Opinion N/A N/A N/A N/A</p>

Appendix 1

Frequency	Pensions Committee	Audit Sub Committee
	<p>September</p> <p>Employer Covenant Review Audited Annual Report and Accounts of the Lothian Pension Fund and Scottish Homes Pension Fund (including the Annual Report by External Auditor) Stewardship Code Review N/A Lothian Pension Fund Contract Awards Report</p> <p>December</p> <p>Annual Report by External Auditor (or September if available) N/A Stewardship N/A N/A N/A N/A</p>	<p>N/A Audited Annual Report and Accounts of the Lothian Pension Fund and Scottish Homes Pension Fund (including the Annual Report by External Auditor) N/A Fraud Prevention N/A</p> <p>Annual Report by External Auditor (or September if available) Investment Income Review-Cross-Border Withholding Tax and EU Tax Recoveries N/A Pensions Data Quality Global Custody Services Performance Compliance Update and Risk Management: In-depth review Additional Voluntary Contributions (AVC) Review</p>
Semi Annually	<p>March & September</p> <p>Employers Participating in Lothian Pension Fund</p> <p>June & December</p> <p>N/A</p>	<p>N/A</p> <p>IT Information Security Update</p>
3 Times per year	<p>March¹, September & December</p> <p>Operating Plan and Budget Update</p>	<p>N/A</p>

¹ The March update will have the dual purpose of a business strategy update, budget review and budget approval for the forthcoming financial year

Appendix 1

Frequency	Pensions Committee	Audit Sub Committee
	<p>June, September & December</p> <p>Referrals / recommendations from Pensions Audit-Sub</p> <p>N/A</p>	<p>N/A</p> <p>Risk and Compliance Update</p>
Quarterly	<p>March, June, September & December</p> <p>Risk and Compliance Update</p>	<p>Internal Audit Update</p>
As required	<p>Investment Strategy Reviews (at least every 3 years – next due June 2024)</p>	<p>N/A</p>

Pension Committee
Action Log

Meeting	Formal/Informal	Type	Owner /	Detail	Update	Completion date	Status
27/09/2023	Formal	Noting/action	JA	Noted, following a point of order raised by John Anzani, that the Audit Sub-Committee Convener's Annual Update report would be tabled at December Committee if available and that officers would review the procedure for submitting papers to Committee going forward.	Regular committee debrief has been established as part of the committee cycle process. Attendees include committee services clerk, LPF and the Convener or the Pension Committee to ensure actions are considered and processes improved. Susan Handyside also spoke with the Convener or the ASC to explain the the steps take with his report in September.	05/12/2023	propose to close
27/09/2023	Formal	Action	ALL	Business Plan and Budget Update - John Anzani requested that further training be made available off-line on using Convene.	CoSec Team - Contacted committee and board members in advance of meeting to assess issues and training requirements and liaised with IT and the service provide to resolve issues. Ongoing support and help will continue indefinitely for members who require it.	05/12/2023	propose to close
27/09/2023	Formal	Action	BM	Motion - To agree that a report be presented to the next committee meeting detailing all investments currently held by Lothian Penison Fund in companies whose principal business is in fossil fuels, for example BP, Shell, Total Energies, Exxon and Chevron. To agree that the report include information on chagnes to these investments in the last 3 years.	Holdings report prepared for the December committee.	05/12/2023	propose to close
27/09/2023	Formal	Noting	ALL	Actuarial Valuation - To note the initial high-level results of the triennial evaluation, the decisions that will be made as part of completing the valuation and the expectations on timeline. To note that the November training session would be used to explore the options in more detail.	Valuation Briefing provided on 15 November and a further update report tabled at the December 2023 committee.	17/11/2023	propose to close
27/09/2023	Formal	Action	DV	Triennial Valuation - To note the recent report by the Institute and Faculty of Actuaries, 'The Emperor's New Climate Scenarios – Limitations and assumptions of commonly used climate-change scenarios in financial services', published in July 2023, and to request that the issues raised in this report are considered when exploring 'climate change risk scenarios' (referenced at section 2.13 of this report) and that findings are reported back to Pensions Committee before the Valuation is signed off.	An update will be provided in advance of the pensions committee.	05/12/2023	propose to close
27/09/2023	Formal	Action	SH	Triennial Valuation - To note that a training session would be arranged for Pensions Board and Pensions Committee members in mid-October to explore the results of the Valuation.	Traininn session has been arranged for 31/10/2023 and a further briefing session was arranged for 15 November.	31/10/2023	propose to close
22/06/2023	Formal	Noting	ALL	Agenda Planning - To note that the Convener of the Audit SubCommittee would prepare an annual report highlighting any specific issues raised at the SubCommittee for presentation to the next Pensions Committee meeting.	An update will be provided in advance of the pensions committee.	27/09/2023	propose to close