

Lincolnshire Pension Fund

Business Plan

Introduction

Lincolnshire County Council is the Administering Authority of the Lincolnshire Local Government Pension Scheme (LGPS).

Management of the Lincolnshire Pension Fund (LPF) is delegated to the Pensions Committee acting in the role of 'trustees' of the Pension Fund. The day to day running of the Fund has been delegated to the Deputy Chief Executive & Executive Director – Resources, the Assistant Director – Finance (scheme manager), and the Head of Lincolnshire Pension Fund.

The Pensions Team has responsibility for all aspects of the Fund including governance, investments and accounting, and the oversight of the administration service that is managed in a shared service arrangement with West Yorkshire Pension Fund (WYPF).

The Business Plan is an important document which sets out the aims and objectives of the fund, its core work over the next three years and how the objectives will be achieved.

A report on the management of key risks is also included as part of the Business Plan.

Objectives

The Fund's overarching objectives are:

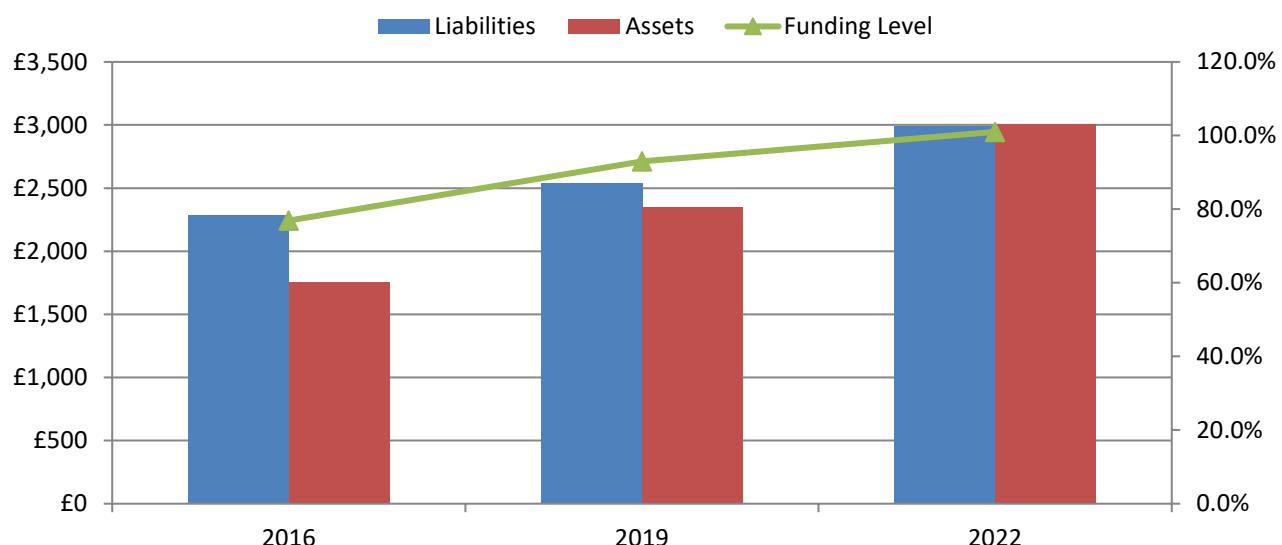
- **Governance:** To act with integrity and be accountable to stakeholders for decisions, ensuring that they are robust, well based and undertaken by people who have the appropriate knowledge and expertise;
- **Investments and Funding:** To maximise returns from investments within reasonable risk parameters and with clear investment decisions based on prudent long term funding priorities, given the preference to keep employer contribution rates reasonably stable where appropriate; and
- **Administration and Communications:** In partnership with WYPF, to deliver an effective and efficient Pensions Administration service to all stakeholders, to ensure that the Fund receives all income due and payments are made to the right people at the right time, and to provide clear, appropriate and timely communication and support to all stakeholders;

Pension fund statistics

The Lincolnshire Pension Fund was valued at £3,532.1 million as at the 31 December 2024.

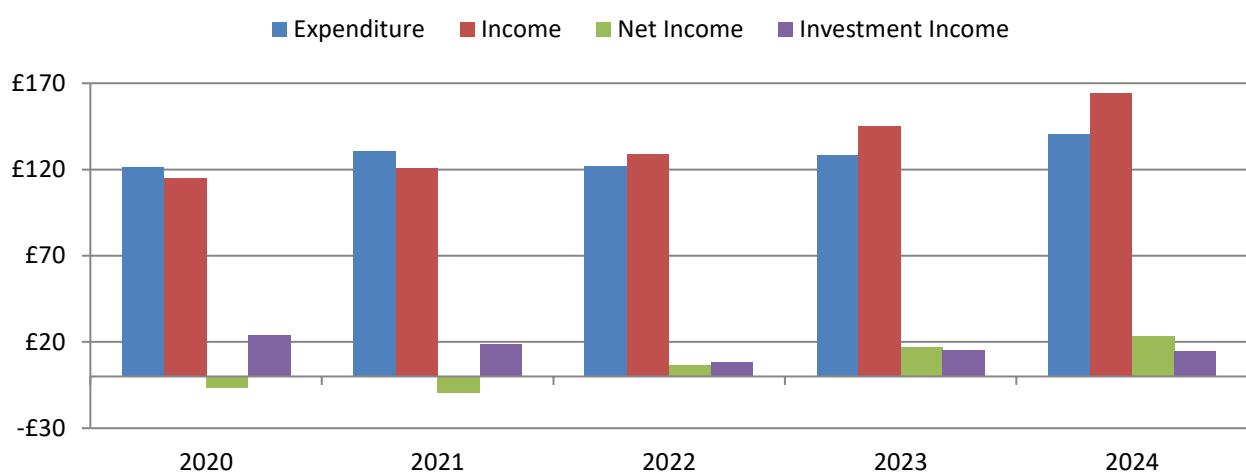
Actuarial valuations are carried out every three years, with the latest being as at 31 March 2022. The valuation provides a value for the liabilities and assets of the Fund and for each employer, to determine the overall funding level and to calculate individual employer contribution rates. The charts below show the funding position across the last three valuation cycles and the cashflow position over the last five years, which shows the Fund is cashflow positive even before investment income is taken into account.

Progression of funding position:



Axis - Left hand side - £m, Right hand side - Funding Level

Cashflow:



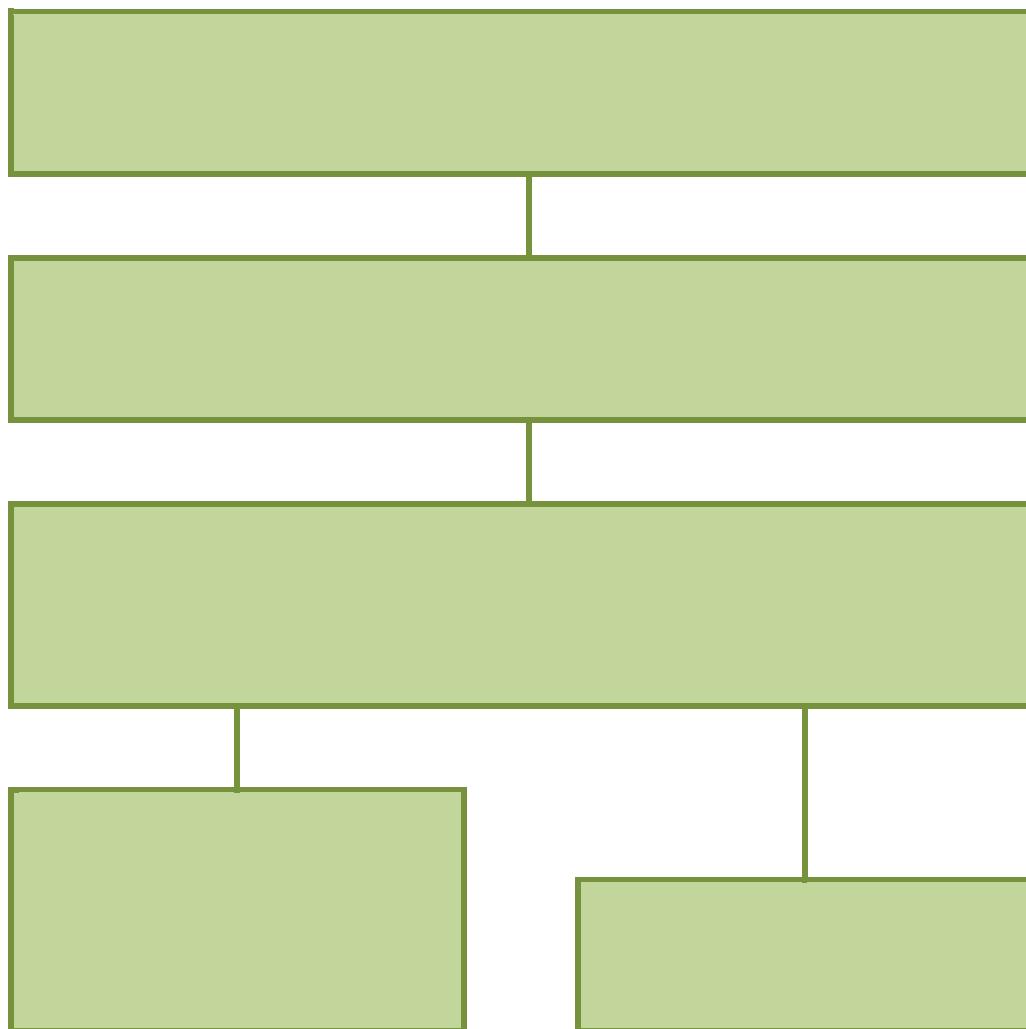
Axis - Left hand side - £m

NB: Expenditure includes all costs of managing the Fund.

Resources and budget

Resources:

The organisational structure of the Pension Fund team is illustrated below:



The Fund accesses other services within the Council, such as the expertise of the Treasury Manager who manages the cash the Fund holds, and Legal Services who provide advice, in addition to a number of external providers, such as the actuary, the investment consultant, the external Investment Managers and any other specialist external advisers as required.

As mentioned previously, the pensions administration function is provided by West Yorkshire Pension Fund in a shared service arrangement, with office space provided alongside the Pensions Team in Lincoln.

Budget:

The estimated costs of operating the Lincolnshire Pension Fund for the financial years 2025/26, 2026/27, and 2027/28, are shown below with the coming year budget profiled over the four

quarters. The budget is split between Administration Costs, Investment Management Expenses and Oversight and Governance Costs.

- **Administration Costs** include the costs of dealing with Fund members and employers in relation to current and future benefits. This service is provided to Lincolnshire Pension Fund through a shared service arrangement with West Yorkshire Pension Fund. The increase in cost over the three-year period reflects the costs of the McCloud and Dashboard projects, on top of this there is inflation and a projected modest increase in member numbers. The projected cost per member increases from £22.30 in 2025/26 to £24.23 in 2027/28.
- **Investments Management Expenses** include the cost of Fund Managers and the Fund's Custodian. Performance related fees are primarily associated with the Morgan Stanley portfolio and are only paid when the portfolio outperforms its benchmark. It is expected that the Morgan Stanley portfolio will transition over to Border to Coast management during 2026/27. When this happens, there will no longer be a performance related fee element.
- **Oversight and Governance Costs** include the cost of the Fund's actuary, investment consultant, external auditor and other advisors. Actuarial costs incurred by individual employers within the Fund are recharged to that employer. In addition, it includes staffing and accommodation costs associated with running the Fund, costs associated with the Local Pensions Board and governance costs at Border to Coast Pensions Partnership. The 2025/26 contracted services budget includes the additional actuarial costs associated with the triennial valuation.

| <u>Administration Costs</u> | | | |
|--|---------------|---------------|---------------|
| - Charge from Shared Service Administrator | 1,900 | 2,100 | 2,200 |
| - Other Costs * ¹ | 1 | 1 | 1 |
| <u>Investment Management Expense</u> | | | |
| - Management Fees | 10,450 | 10,973 | 11,522 |
| - Performance Related Fees | 1,500 | 0 | 0 |
| - Other Fees * ² | 1,710 | 1,796 | 1,886 |
| <u>Oversight and Governance Costs</u> | | | |
| - Contracted Services | 581 | 505 | 530 |
| - Recharge of Actuarial Services | -164 | -172 | -181 |
| - Recharge from Administering Authority | 374 | 387 | 423 |
| - Border to Coast Governance Costs | 306 | 321 | 337 |
| - Other Costs * ³ | 24 | 25 | 26 |
| Total | 16,682 | 15,936 | 16,744 |

*1 Other Administration Costs includes: cost of document storage (Restore) and income from employer fines.

*2 Other Fees includes: Custody Fees and Transaction Costs.

*3 Other Costs in Oversight and Governance includes: such costs as the Pensions Board, conferences and travel.

Profiled Budget 2025/26

| Administration Costs | | | | |
|--|------------|--------------|--------------|---------------|
| - Charge from Shared Service Administrator | 0 | 1,900 | 1,900 | 1,900 |
| - Other Costs * ¹ | 0.25 | 0.50 | 0.75 | 1 |
| Investment Management Expense | | | | |
| - Management Fees | 500 | 1,000 | 1,500 | 10,450 |
| - Performance Related Fees | 0 | 0 | 0 | 1,500 |
| - Other Fees * ² | 30 | 60 | 90 | 1,710 |
| Oversight and Governance Costs | | | | |
| - Contracted Services | 75 | 150 | 400 | 581 |
| - Recharge of Actuarial Services | -15 | -30 | -80 | -164 |
| - Recharge from Administering Authority | 94 | 187 | 281 | 374 |
| - Border to Coast Governance Costs | 306 | 306 | 306 | 306 |
| - Other Costs * ³ | 6 | 12 | 18 | 24 |
| Total | 996 | 3,586 | 4,416 | 16,682 |

*¹ Other Administration Costs includes: cost of document storage (Restore) and income from employer fines.

*² Other Fees includes: Custody Fees and Transaction Costs.

*³ Other Costs in Oversight and Governance includes: such costs as the Pensions Board, conferences and travel.

The Pension Fund's Annual Report and Accounts documents provide more detail on all costs incurred during each year and are reported at the July Pensions Committee meeting.

Review of 2024/25 key tasks

The table below reviews the key tasks identified last year for 2024/25, for the Pension Fund, linked to its objectives. Much of the work will cross more than one objective stream.

| | <p>The responsibility for the Pension Fund is delegated to the Pensions Committee, with the Pension Board providing an oversight role on the administration and governance of the Fund.</p> | <p>Ensure all papers are prepared and presented in a clear and concise manner. Ensure that all relevant matters are reported to the Committee and, or Board.</p> <p>Induction and training for any new Committee or Board members to be arranged at the earliest opportunity.</p> <p>Ensure the new Chair of the Pension Board (and Chair of the Pensions Committee if that changes) are supported in their roles.</p> | <p>All Pension Committee and Board meetings were held as expected.</p> <p>All new members were offered inductions and training, and details of all training undertaken is included in the Annual Report.</p> <p>There were changes to the Chair of both Pensions Committee and Pension Board, and both were supported in their new roles.</p> | <p>Governance</p> <p>Investments and Funding</p> <p>Administration and Communications</p> |
|--|--|--|---|---|
| | <p>Border to Coast Pensions Partnership has been created to meet the Government's investment reform criteria. In accordance with regulations and statutory guidance, assets should transition to</p> | <p>Continued partnership with Border to Coast to develop appropriate sub-funds for investment and ensuring appropriate oversight and governance of the company.</p> <p>Further development of the UK property funds and</p> | <p>Oversight meetings were held at officer, S151 and Joint Committee levels throughout the year.</p> <p>There was continued development on the property funds, with commitments</p> | <p>Governance</p> <p>Investments and Funding</p> |

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| | the management of Border to Coast as appropriate vehicles become available. | consideration of an ESG tilted index tracking fund. Work continuing on the private markets full service capabilities. Border to Coast 2030 strategy development. | made to both the Global and the UK real estate funds. The Multi-Factor Equity Fund was developed, with LPF transitioning its remaining equity assets across in April 2025. Officers continued work with Border to Coast and the current Private Markets manager on the transition of that portfolio. The 2030 Strategy was formally agreed by shareholders. | |
| | A good performing administration service is key to our stakeholders and for ensuring the quality of information held is appropriate for calculating benefits and liabilities. | Continued partnership and oversight of West Yorkshire Pension Fund (WYPF) in the delivery of the administration service and to improve the reporting on data quality and management information. Working with WYPF to improve and clearly document the governance structure of the shared service. | Reasonable KPI figures throughout the year, although some areas were impacted by late releases of factors from Government and resourcing issues at WYPF. Generally positive scheme member and employer feedback, as reported to Committee and Board each quarter. Refreshed shared service agreement signed in December 2024. | Governance Administration and Communications |

| | | | Work continued on McCloud remedy and dashboard preparation. | |
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| | The Fund is required to produce an Annual Report and Accounts document and ensure the financial statements are accepted as a true and fair view by auditors. | A detailed project plan for the year end process is in place, built on experience from previous years and updated for new requirements. On-going engagement with the new external auditors, KPMG, to understand their requirements and ensure they can be met in a timely manner. | Delayed receipt of external audit opinion due to an issue with the Council's accounts meant Pension Fund accounts were published by 1 December without the opinion, but with an unqualified opinion was expected. The unqualified opinion was received by the end of January. There was positive feedback from KPMG on the relationship with the Pensions Team. | Governance |
| | There is continued focus on how LGPS Funds can best address and manage RI issues such as environmental, social and governance matter (ESG). In particular, the requirement for climate reporting has increased and this will need to be addressed as part of the Fund's net zero ambitions. | Continued information and training for the Committee to understand the benefits of and the requirements around RI. Working with external managers and Border to Coast to ensure that it is embedded across all investment decisions. Ensure the investment strategy reflects the RI beliefs. Consider and develop climate change policy and any net zero target. Respond to the requirements | The Committee received regular updates and information on RI activity undertaken by managers. The Stewardship Code submission was made to the FRC in October 2024 for the financial year to 31 March 2024 and was successful. Work continued with external managers and Border to Coast to ensure that RI is embedded across all investment decisions. | Governance Investments and Funding |

| | | from the Climate Reporting consultation once the guidelines are published. | The Committee received further training on climate change and a draft TCFD report is expected to be taken to the April 2025 Committee. There was no further progress on the LGPS specific climate reporting requirements from Government. | |
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| | The SAB have a number of projects underway to improve the management or governance of LGPS Funds. | Participate in projects where possible and respond to any actions required – for example Good Governance Review, data quality. | Elements of the Good Governance project were included in the Government's LGPS – Fit for the Future consultation issued in November 2024. The Fund responded to any requests from SAB throughout the year. | Administration and Communications Governance |
| | Employers within the Fund require pensions accounting information at various times of the year, for inclusion in their statutory accounts. | Work with employers, the Actuary and WYPF to ensure employers understand their choices, accurate and timely data is sent to the Actuary and accounting reports are received and understood by employers. | All employers received appropriate accounting reports as required. | Investments and Funding Administration and Communications |
| | The Committee's independent advisor is | Following the advertisement of the position of independent investment advisor, to | The position of Independent Investment Advisor was advertised in May 2024 and | Governance |

| | standing down as of 30 April 2023. | interview and appoint a successful candidate that meets the requirements of the Committee. | received a number of good applicants. Interviews were held and the position was appointed to in August, with the new Independent Investment Advisor starting in September. | Investments and Funding |
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| | The current Independent Chair, who has been on the Board since its inception, is standing down in July 2024. | Following advertisement and interview to appoint a successful replacement to the current Independent Chair of the Local Pension Board, to ensure they are supported in their new role. | The position of Independent Chair of the Local Pension Board was appointed to in July 2024, with a handover at the July Board meeting. Given the LGPS experience of the new Chair, little support has been required, other than with LPF specific information. | Governance |
| | The current contract with the Fund's custodian, Northern Trust, originally expired on 31 March 2024, but following a 12-month extension now expires on 31 March 2025. | Officers will undertake a call-off from the National Framework for Custody Services and recommend an appointment to the Pensions Committee. | A call off from the Custody Services framework and Caceis were appointed. The transition process has been managed and Caceis will take over the custody, accounting and performance reporting activity from 1 April 2025. | Governance Investments and Funding |
| | The Pensions Regulator has issued their new General Code of Practice to replace the previous one applicable | Officers will ensure that the Committee and Board are aware of the requirements of the new code. They will undertake a gap analysis to | The AON model was purchased to assess compliance with TPR's General Code and a report taken to the July Committee and Board. | Governance |

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| | to public sector pensions, Code 14. | identify any changes required and prepare a plan to implement those changes. Progress on this will be monitored and reported to the Committee and Board as part of the quarterly Fund Update reports. | Generally most LGPS specific areas were compliant. Officers put plans in place to improve those areas that were partially compliant, and it was agreed that compliance would be reported annually to the July Committee and Board rather than quarterly. | |

Three Year Business Plan to March 2028

The following table sets out the key tasks and areas of work expected to be addressed over the coming three years.

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| Pensions Committee and Pension Board | <ul style="list-style-type: none"> Ensure the Committee and Board are provided with appropriate information and support to fulfil their relevant roles. Review of Board membership. | <ul style="list-style-type: none"> Ensure the Committee and Board are provided with appropriate information and support to fulfil their relevant roles. | <ul style="list-style-type: none"> Ensure the Committee and Board are provided with appropriate information and support to fulfil their relevant roles. Review of Board membership. | Governance |
| Committee and Board Training | <ul style="list-style-type: none"> Induction of any new Committee members following County Council elections. | <ul style="list-style-type: none"> Induction for any in-year changes of members on the Committee or Board. | <ul style="list-style-type: none"> Induction for any in-year changes of members on the Committee or Board. | Governance |

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| | <ul style="list-style-type: none"> Induction for any in-year changes of members on the Committee or Board. Include in all Committee and Board meetings an element of training to assist members meeting their knowledge requirements. Agree Annual training policy and plan and support all members in meeting their minimum training requirements. | <ul style="list-style-type: none"> Include in all Committee and Board meetings an element of training to assist members meeting their knowledge requirements. Agree Annual training policy and plan and support all members in meeting their minimum training requirements. | <ul style="list-style-type: none"> Include in all Committee and Board meetings an element of training to assist members meeting their knowledge requirements. Agree Annual training policy and plan and support all members in meeting their minimum training requirements. | |
| Oversight of Border to Coast | <ul style="list-style-type: none"> Work with the Committee and Administering Authority in fulfilling their oversight roles as investors and shareholders with Border to Coast. Work with Border to Coast to successfully implement the requirements of Government from the LGPS – Fit for the Future | <ul style="list-style-type: none"> Work with the Committee and Administering Authority in fulfilling their oversight roles as investors and shareholders with Border to Coast. Work with Border to Coast to implement the 2030 Strategy, as agreed in 2024. Work with all Border to Coast Partner Funds to identify areas for | <ul style="list-style-type: none"> Work with the Committee and Administering Authority in fulfilling their oversight roles as investors and shareholders with Border to Coast. Work with Border to Coast to implement the 2030 Strategy, as agreed in 2024. Work with all Border to Coast Partner Funds to identify areas for | Governance |

| | <p>review and the Pensions Bill.</p> <ul style="list-style-type: none"> • Work with Border to Coast to implement the 2030 Strategy, as agreed in 2024. • Work with all Border to Coast Partner Funds to identify areas for collaboration and best practice. | collaboration and best practice. | collaboration and best practice. | |
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| Annual Report and Accounts | <ul style="list-style-type: none"> • Produce an unqualified annual report and accounts, meeting statutory guidelines and deadlines. | <ul style="list-style-type: none"> • Produce an unqualified annual report and accounts, meeting statutory guidelines and deadlines. | <ul style="list-style-type: none"> • Produce an unqualified annual report and accounts, meeting statutory guidelines and deadlines. | Governance |
| Statutory Requirements and Best Practice | <ul style="list-style-type: none"> • Ensure all required policies are reviewed and published as appropriate. • Review the Pensions Regulator General Code of Practice for compliance and report to Committee and Board annually. • Ensure all Fund specific outcomes from the LGPS – Fit for the Future | <ul style="list-style-type: none"> • Ensure all required policies are reviewed and published as appropriate. • Review the Pensions Regulator General Code of Practice for compliance and report to Committee and Board annually. • Respond to any future LGPS consultations and work with sector | <ul style="list-style-type: none"> • Ensure all required policies are reviewed and published as appropriate. • Review the Pensions Regulator General Code of Practice for compliance and report to Committee and Board annually. • Respond to any future LGPS consultations and work with sector | Governance Investments And Funding Administration and Communications |

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| | <p>consultation are implemented.</p> <ul style="list-style-type: none"> • Respond to any future LGPS consultations and work with sector regulators and advisory bodies on the future direction of the LGPS and delivering best practice. | <p>regulators and advisory bodies on the future direction of the LGPS and delivering best practice.</p> | <p>regulators and advisory bodies on the future direction of the LGPS and delivering best practice.</p> | |
| Service Provider Oversight | <ul style="list-style-type: none"> • Working with service providers to ensure they are meeting agreed levels of performance and addressing any areas of underperformance. • Contributing to the success of the shared administration service through participate in the shared service meetings and collaboration board. | <ul style="list-style-type: none"> • Working with service providers to ensure they are meeting agreed levels of performance and addressing any areas of underperformance. • Contributing to the success of the shared administration service through participate in the shared service meetings and collaboration board. | <ul style="list-style-type: none"> • Working with service providers to ensure they are meeting agreed levels of performance and addressing any areas of underperformance. • Contributing to the success of the shared administration service through participate in the shared service meetings and collaboration board. | <p>Governance Investments And Funding Administration and Communications</p> |
| Horizon Scanning | <ul style="list-style-type: none"> • Awareness of any Local Government Reorganisation | <ul style="list-style-type: none"> • Awareness of any Local Government Reorganisation | <ul style="list-style-type: none"> • Awareness of any Local Government Reorganisation | <p>Governance Investments And Funding Administration and Communications</p> |

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| | <p>considerations to ensure pensions is on the agenda.</p> <ul style="list-style-type: none"> • Awareness of upcoming consultations, regulation changes etc to ensure the Fund's participates in any discussions, including pool and fund mergers. • Build/manage relationship with new Strategic Combined Authority in relation to any potential local investment opportunities/pressure. | <p>considerations to ensure pensions is on the agenda.</p> <ul style="list-style-type: none"> • Awareness of upcoming consultations, regulation changes etc to ensure the Fund's participates in any discussions, including pool and fund mergers. • Build/manage relationship with new Strategic Combined Authority in relation to any potential local investment opportunities/pressure. | <p>considerations to ensure pensions is on the agenda.</p> <ul style="list-style-type: none"> • Awareness of upcoming consultations, regulation changes etc to ensure the Fund's participates in any discussions, including pool and fund mergers. • Build/manage relationship with new Strategic Combined Authority in relation to any potential local investment opportunities/pressure. | <p>Investments And Funding</p> <p>Administration and Communications</p> |
| Asset Pooling and Transitions | <ul style="list-style-type: none"> • Transition remaining global equities to Border to Coast Multi-Factor Equity product. • Continue transition of Global and UK commercial property to Border to Coast. • Continue working with Border to Coast to | <ul style="list-style-type: none"> • Continue transition of Global and UK commercial property to Border to Coast. • Continue working with Border to Coast to transition the private markets mandate. • Work with Border to Coast to develop future propositions and | <ul style="list-style-type: none"> • Work with Border to Coast to develop future propositions and offerings to enable the implementation of the LPF strategic asset allocation. | <p>Investments and Funding</p> |

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| | <p>transition the private markets mandate.</p> <ul style="list-style-type: none"> Work with Border to Coast to develop future propositions and offerings to enable the implementation of the LPF strategic asset allocation. | <p>offerings to enable the implementation of the LPF strategic asset allocation.</p> | | |
| Triennial Valuation | <ul style="list-style-type: none"> Work with the Fund Actuary to meet all requirements for the triennial valuation. Communicate with all employers throughout the valuation process to ensure 100% agreement of future employer contribution rates. Work with WYPF and employers to ensure data is of a high quality and sent to the Actuary as required. | <ul style="list-style-type: none"> Ensure all employers are paying the new primary and secondary contribution rates. Work with WYPF and employers to ensure data is of a high quality and sent to the Actuary as required for annual data cleanse. | <ul style="list-style-type: none"> Ensure all employers are paying the new primary and secondary contribution rates. Preparation for 2028 Valuation with Actuary and Committee and Board. Pre-valuation meetings with employers as appropriate. | <p>Governance Investments and Funding Administration and Communications</p> |
| Investment Beliefs | <ul style="list-style-type: none"> Revisit investment beliefs with the Committee, linked to the LGPS – Fit for the Future review. | | | <p>Governance Investments and Funding</p> |

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| Strategic Asset Allocation | <ul style="list-style-type: none"> Review strategic asset allocation alongside triennial valuation work. Plan and implement any changes required to the strategic asset allocation. | <ul style="list-style-type: none"> Implement any changes required to the strategic asset allocation and ensure strategy remains fit for purpose. | <ul style="list-style-type: none"> Implement any changes required to the strategic asset allocation and ensure strategy remains fit for purpose. | <p>Governance Investments and Funding</p> |
| Investment Performance Monitoring | <ul style="list-style-type: none"> Support the Committee in their role of overseeing investment manager performance and overall fund performance. Work with Border to Coast to monitor and understand performance of underlying investment vehicles and report to the Joint Committee effectively. Regular meetings with the Independent Investment Adviser and with the Investment Consultant to discuss investment performance and strategy. | <ul style="list-style-type: none"> Support the Committee in their role of overseeing investment manager performance and overall fund performance. Work with Border to Coast to monitor and understand performance of underlying investment vehicles and report to the Joint Committee effectively. Regular meetings with the Independent Investment Adviser and with the Investment Consultant to discuss investment performance and strategy. | <ul style="list-style-type: none"> Support the Committee in their role of overseeing investment manager performance and overall fund performance. Work with Border to Coast to monitor and understand performance of underlying investment vehicles and report to the Joint Committee effectively. Regular meetings with the Independent Investment Adviser and with the Investment Consultant to discuss investment performance and strategy. | <p>Governance Investments and Funding</p> |

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| | <ul style="list-style-type: none"> • Oversight meetings with legacy investment managers. | <ul style="list-style-type: none"> • Oversight meetings with legacy investment managers. | <ul style="list-style-type: none"> • Oversight meetings with legacy investment managers. | |
| Stewardship | <ul style="list-style-type: none"> • Ensure all regulatory requirements are met in respect of reporting (e.g. climate reporting). • Publish the Fund's first climate report meeting current TCFD requirements. • Prepare net zero roadmap to agreed 2050 date. • Monitor and challenge manager activity on stewardship, including voting and engagement. • Maintain signatory status with the FRC's Stewardship Code. | <ul style="list-style-type: none"> • Ensure all regulatory requirements are met in respect of reporting (e.g. climate reporting). • Publish the Fund's climate report meeting current TCFD requirements. • Monitor and report progress against the net zero roadmap. • Monitor and challenge manager activity on stewardship, including voting and engagement. • Become a signatory of the FRC's new Stewardship Code . | <ul style="list-style-type: none"> • Ensure all regulatory requirements are met in respect of reporting (e.g. climate reporting). • Publish the Fund's climate report meeting current TCFD requirements. • Monitor and report progress against the net zero roadmap. • Monitor and challenge manager activity on stewardship, including voting and engagement. • Maintain signatory status with the FRC's Stewardship Code. | Governance Investments and Funding |
| Administration Service | <ul style="list-style-type: none"> • Dashboard – ensure WYPF meet October deadline for connecting to the Pensions Dashboard • Ensure the benefits administration system is | <ul style="list-style-type: none"> • Ensure the benefits administration system is compliant with regulations and able to deliver all required functionality. | <ul style="list-style-type: none"> • Ensure the benefits administration system is compliant with regulations and able to deliver all required functionality. | Administration and Communications |

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| | <p>compliant with regulations and able to deliver all required functionality (e.g. McCloud).</p> <ul style="list-style-type: none"> • Annual Benefit Statements – all produced by 31 August 2025 • Work with WYPF and employers to ensure high quality data is held within the administration system. | <ul style="list-style-type: none"> • Annual Benefit Statements – all produced by 31 August 2026 • Work with WYPF and employers to ensure high quality data is held within the administration system. | <ul style="list-style-type: none"> • Annual Benefit Statements – all produced by 31 August 2027 • Work with WYPF and employers to ensure high quality data is held within the administration system. | |
| Service Providers | <ul style="list-style-type: none"> • Custody Services – ensure relationship with new custodian is embedded. | <ul style="list-style-type: none"> • Actuary tender – call off National Framework for a reappointment from 1 January 2027 • Investment Consultant – two-year extension considered in October meeting effective from 1 January 2027 | | <p>Governance Investments and Funding</p> |
| Recruitment | | | | |
| | | <ul style="list-style-type: none"> • Recruitment to second Principal AIG Officer considered. | | <p>Governance</p> |

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| Succession Planning | <ul style="list-style-type: none"> Consider any developments required for succession planning. | <ul style="list-style-type: none"> Consider any developments required for succession planning. | <ul style="list-style-type: none"> Consider any developments required for succession planning. | Governance |
| Team Development | <ul style="list-style-type: none"> Ensure all one-to-ones and appraisals are undertaken and are effective, identifying any training requirements. | <ul style="list-style-type: none"> Ensure all one-to-ones and appraisals are undertaken and are effective, identifying any training requirements. | <ul style="list-style-type: none"> Ensure all one-to-ones and appraisals are undertaken and are effective, identifying any training requirements. | Governance |
| LGPS Senior Officer | <ul style="list-style-type: none"> Formally appoint LGPS Senior Officer. Ensure delegations and job descriptions are consistent with requirements coming from the LGPS – Fit for the Future review. | | | Governance |

Key risks

The table below highlights the key risks that face the Pension Fund, and the mitigating actions being taken to minimise, where possible, those risks. A more detailed risk register is brought to the Committee and Board in full in October.

Look at annual report 2025

| Failure to ensure that the Committee's knowledge and understanding of pensions related activities is robust and meets all statutory requirements. | <p>Increasing Committee meeting frequency to eight per year, with each meeting including a training element.</p> <p>Giving Committee members opportunities to attend external training and conferences.</p> <p>Asking Committee members to undertake the necessary knowledge and skills questionnaire at critical junctures of their tenure (for example post-election).</p> <p>Online member training platform, offered by Hymans Robertson, available to all Committee members.</p> <p>Committee and Board training manual provided to all Committee members.</p> |
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| Governance of asset pooling - management of relationship with Border to Coast, and the potential that this could create an inability to implement asset allocation decisions. | <p>Governance Review with Border to Coast.</p> <p>Governance Charter, outlining arrangements and expectations of funds and Border to Coast.</p> <p>Frequent meetings with the Partner Fund Joint Committee.</p> <p>Regular Officer Operation Group meetings, giving operations and senior staff the ability to monitor investment and company performance.</p> <p>Regular Senior Officer Groups, providing the opportunity to have sight and direct the Border to Coast 2030 Strategy.</p> |
| Required returns not met due to poor strategic allocation and assets not enough to meet liabilities. | <p>Strategic Asset Allocation changes being implemented.</p> <p>Triennial review undertaken by the Fund actuary to assess whether employer contribution rates are appropriate.</p> <p>Professional advice taken, both through the Independent Investment Advisor and the Investment Consultant.</p> <p>Fund Officers currently reviewing the internal fund manager monitoring arrangements,</p> |

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| | including the Border to Coast fund oversight processes. |
| Poor long term investment performance or non-compliance from managers, potentially leading to increases in employer contributions. | <p>Diversification of assets.</p> <p>Fund Officers currently reviewing our internal fund manager monitoring arrangements, including Border to Coast fund oversight processes.</p> <p>Quarterly meetings with Border to Coast.</p> <p>Monthly fund manager reporting.</p> <p>Long-term investment timeframe to smooth volatility.</p> <p>Relevant qualifications held by Fund officers.</p> <p>Taking professional investment advice, where appropriate.</p> |
| Asset pooling - transition of assets from existing mandates to Border to Coast. | <p>Regular liaison meetings with the Partner Fund Joint Committee.</p> <p>Regular Officer Operation Group meetings, giving operations and senior staff the ability to monitor any concerns.</p> <p>Use of professional transition managers.</p> <p>Continued close working with Border to Coast to develop investment vehicles.</p> <p>Transition plan presented to Committee to set out pathway for all remaining assets.</p> |
| Failure to meet requirements as a responsible investor - across all ESG risks (including climate change and a move to a low carbon economy). | <p>Quarterly Stewardship Paper taken to Committee and Board.</p> <p>Working collaboratively with Border to Coast.</p> <p>Increasing focus on ESG investments, where appropriate.</p> <p>Membership of LAPFF, which engages with companies on behalf of the fund.</p> <p>Fund RI beliefs and policies.</p> <p>Signatories of the 2024 Stewardship Code.</p> <p>Fund officers working on TCFD Reporting with new legislation on this area imminent.</p> |
| Cashflow issues so not enough income to meet pension payments due. | <p>Asset allocation review to increase income generating assets when required, the majority of this being with Border to Coast as the pool operator.</p> <p>Expanded cashflow monitoring with the Fund actuary following the 2022 valuation.</p> <p>Monthly monitoring of the operational cashflow position, ensuring there is enough cash to meet upcoming expenditure.</p> |

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| <p>Government direction of investment pooling creates inefficiencies due to imposed pooling timescale, forced pool or fund mergers, requirements to invest in specific asset classes or meet specific government policies, or distraction from the Funds objectives.</p> | <p>Understanding of fiduciary duty. Maintaining a positive partnership with Border to Coast, including open dialogue about potential pool expansion and the Border to Coast 2030 Strategy. Submitting Fund responses to the Government's various consultations and working with Border to Coast on pool responses. Regular meetings across all levels with Border to Coast and Partner Funds. Clear asset transition plan with appropriate timescales and justifications for assets not pooled.</p> |
| <p>The administrator does not perform its functions in accordance with the agreement.</p> | <p>Business as usual administrative tasks reported monthly to Fund officers, and quarterly to Committee and Board. Horizon scanning for potential legislation changes, utilising bulletins such as from the Local Government Association. Collaboration Agreement in place and regular shared service and collaboration board meetings. Benchmarking and performance data (for both the cost of the administration service, and for the administration of benefits) undertaken. Monitoring Bradford Council Internal Audit reports. Regular contact with the Shared Service Client Relationship Manager.</p> |
| <p>Cyber security breach resulting in personal data being accessed fraudulently.</p> | <p>Fund officers review control reports produced by WYPF and investment managers, outlining controls in place to mitigate cyber breaches. Shared service risk register, including cyber related mitigation measures. Fund Business Continuity Plan, detailing how operations can be continued in the event of an IT outage. Committee and Board training on cyber security to understand implications and mitigations.</p> |
| <p>Employers exiting the Fund – increased number of employers exiting the Fund and/or reducing covenant strengths.</p> | <p>A database, provided by the Fund actuary, to enable stronger and more efficient employer monitoring. Legally binding admission agreement for all employers, detailing terms of exit.</p> |

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| | <p>Monthly employer contributions monitoring undertaken, to identify irregular patterns with any specific employers.</p> <p>Frequent communications with employers.</p> <p>Employer covenants monitored at least every three years.</p> <p>Exit Credit Policies in place, setting out what an employer is due or liable for should they leave the scheme.</p> <p>Implementing “pass-through” agreements with all new admitted body employers, ensuring the Fund is sufficiently protected if/when these admitted bodies leave the scheme.</p> |
| Fraud risk not managed effectively, leading to potential financial loss or damaged reputation. | <p>Administration shared service risk register which includes cyber related and fraud mitigation measures.</p> <p>WYPF reporting including life certificates.</p> <p>Internal and External Audit reviews.</p> <p>Monthly report from WYPF which includes any relevant incidents pertaining to fraud or fraudulent activity.</p> <p>Appropriate separation of duties.</p> <p>National Fraud Initiative work undertaken.</p> |
| Changes in legislation not implemented correctly, currently McCloud and Pensions Dashboard. | <p>Regular meetings with and reporting from WYPF, including updates on the administration system.</p> <p>LCC staff appropriately qualified and aware of legal requirements.</p> <p>Pension Fund managed in line with statutory regulations.</p> <p>Membership of professional networks e.g. PLSA. Head of Lincolnshire Pension Fund is a member of PLSA LA Committee, allowing early sight of legislative changes.</p> |
| Risks arising from the Fund’s relationship with administering authority (e.g. reliance on shared policies and resources). | <p>Interaction with departments from Head of Lincolnshire Pension Fund as part of Senior Leadership Team, including a reporting line to Assistant Director – Finance.</p> <p>Team’s involvement in cross-council groups e.g. resources risk management, change influencers.</p> <p>Ensuring there is a clear understanding of Scheme Manager role and responsibilities.</p> |
| Loss of key staff and loss of knowledge and skills. | Diversified staff / team. |

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| | <p>Comparison of structures in other funds to ensure LCC positions are still desirable.</p> <p>Attendance at pensions user groups.</p> <p>Procedure notes maintained.</p> <p>Fund staff meetings / 1:1's / appraisals.</p> <p>Regular team building.</p> <p>Maintaining Border to Coast and partner funds relationships.</p> <p>Training requirements and qualifications reviewed and identified gaps are rectified (e.g. AAT, IMC, CIPFA).</p> <p>LCC team structure reviewed as appropriate.</p> <p>Career grade posts offered to grow from within.</p> |
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Forward plan – 2025 to 2026 Committee and board meetings

The Pensions Committee meetings are split between Investments and RI, and Administration and Governance, to allow more time focus on the subjects and introduce training at each meeting. Below are the planned reports as known at the time of writing – scheduling of reports may change, and additional reports may be added.

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| | <p>Market Update Report</p> <p>Stewardship Update Report</p> <p>TCFD Reporting Update</p> <p>Investment Management Report</p> <p>Manager Presentation – Border to Coast Fixed Income Funds</p> |
| | <p>Training day including sessions from the Chair of the Pension Board, Actuary, Independent Advisor, Investment Consultant, Border to Coast and WYPF</p> |
| | <p>Local Board Report</p> <p>Fund Update Report</p> <p>Pensions Administration Update Report</p> <p>Shared Service Update from WYPF Managing Director</p> <p>Annual Report and Accounts 2024/25</p> <p>TPR General Code – Annual Review</p> |

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| | Annual Training Plan and Policy Review Valuation Assumptions |
| | Pension Board Appointments Fund Update Report Pensions Administration Update Shared Service Update from WYPF Managing Director TPR Data Scores Report Annual Report and Accounts 2024/25 TPR General Code – Annual Review Valuation Assumptions Work plan and Training Paper |
| | Market Update Report Stewardship Update Report Annual Property and Infrastructure Report Investment Management Report Manager Presentation – Morgan Stanley Training |
| | Local Board Report Fund Update Report Pensions Administration Update Risk Register Review Annual Fund Performance Report Annual Report and Accounts 2024/25 Valuation Update Training |
| | Fund Update Report Pensions Administration Update Temporary Bank Accounts Report Risk Register Review Annual Report and Accounts 2024/25 Update on Pensions Dashboard Internal Audit Assurance Report Valuation Update Work Plan and Training Paper |
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| | Meet the team and training |
| | Market Update Report Stewardship Update Report Border to Coast RI and Voting Policies Investment Management Report Manager Presentation – Border to Coast Equity Funds Training |
| | Local Board Report Fund Update Report Pensions Administration Update Annual TPR Data Scores Annual Employer Monitoring Report Training |
| | Fund Update Report Pensions Administration Update TPR Data Scores Report Employer and Member Digital Interactions Annual Employer Monitoring and Engagement Work Plan and Training Paper |
| | Local Board Report Fund Update Report Pensions Admin Update Policies Review Annual Report and Accounts 2025/26 Business plan and budget setting Triennial Valuation Results Training |
| | Fund Update Report Pensions Admin Update Temporary Bank Accounts Policies Review Annual Report and Accounts 2025/26 |

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| | <p>Business Plan and Budget Setting Triennial Valuation Results Work Plan and Training Paper</p> |