



Lincolnshire Pension Fund
Annual Report & Accounts

2024

Local Government Pension Scheme

Annual Report for the Year Ended 31 March 2024

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Additional Information:

Funding Strategy Statement – available [here](#)

Investment Strategy Statement – available [here](#)

Communications Policy – available [here](#)

Governance Policy & Compliance Statement – available [here](#)

Full weblink addresses of the documents can be found at Appendix A.

The above four reports can also be accessed in hard copy by contacting the Head of Lincolnshire Pension Fund at jo.kempton@lincolnshire.gov.uk.

The format and content of the Annual Report has been prepared in accordance with the April 2024 Guidance for Local Government Pension Scheme Funds wherever practical. For 2023/24 Funds should use their best endeavours to comply with this guidance. Full adoption of the guidance comes into force for 2024/25.

1 Overall Fund Management

Scheme management & advisors

Administering Authority Lincolnshire County Council

Senior Officers

Deputy Chief Executive and Executive Director – Resources	A Crookham
Assistant Director – Finance	M Grady
Head of Lincolnshire Pension Fund	J Kempton
Accounting, Investment and Governance Manager	C Machej

Asset Pool & Operator

Border to Coast Pensions Partnership

Professional Advisors & Providers

Fund Actuary	Barnett Waddingham
Fund Investment Consultant	Hymans Robertson
Fund External Auditor	KPMG LLP
Fund Custodian	Northen Trust
Independent Investment Advisor	Vacant
AVC Provider	Prudential
Fund Banker	Barclays
Benefits Administration Provider	West Yorkshire Pension Fund (WYPF)
Fund Legal Advisor	Legal Services Lincolnshire

Investment Managers of the Fund as at 31 March 2024

Equities:	Border to Coast Pensions Partnership Legal and General
Bonds:	Border to Coast Pensions Partnership
Private Markets:	Morgan Stanley
Private Equity (Legacy):	Aberdeen Standard, Capital Dynamics, Pantheon
Multi Asset Credit:	Border to Coast Pensions Partnership
Infrastructure:	Infracapital, Innisfree, Pantheon
Property:	ABRDN, Allianz, Aviva, Hearthstone, Igloo, Royal London

Risk Management

Risk management is an integral element of managing the Pension Fund. The Pension Fund has a risk register which identifies the major risks associated with managing the Fund. An extract of this register is shown below. This is reviewed by the Pensions Committee annually, and new or changed risks are reported at each quarterly meeting. The risk register had a full review at the July 2023 Committee meeting, where it was aligned to the Council’s updated risk management process.

Fund officers hold regular meetings with the Council’s Risk Management team to ensure all key risks are identified, managed and reviewed.

Lincolnshire County Council's (LCC) internal audit team undertake audits across different aspects of the Fund's management. The timing and frequency of their work is determined by a risk-based assessment, which is reviewed annually with the Scheme Manager. The output from audits is reported to the Council's Audit Committee and brought to the Pension Board and Committee as appropriate. In addition, the work of the internal auditors of West Yorkshire Pension Fund, from Bradford Council, to provide additional assurance over the administration function, is reported to the Committee and Board regularly.

Assurance from the service suppliers and fund managers appointed by Lincolnshire Pension Fund is obtained thorough the receipt and monitoring of control reports – e.g. ISAE 3402 (AAF 01/06) or SSAE16/70. For 2023/24 reasonable assurance was obtained from all third-party operations.

The table below highlights the key risks split across the areas of Governance, Investment and Pooling, and Administration, and how they are managed.

Information on the nature and extent of risks arising from financial instruments are covered in note 16 of the Pension Fund Accounts and can be found on page 58.

Key risk identified:	A range of risk management controls are in place including:
GOVERNANCE	
Failure to ensure that the Committee's knowledge and understanding of pensions related activities is robust and meets all statutory requirements	Induction training for new Committee members. training policy and annual training plan, opportunities to attend external training sessions and conferences, self-assessment, on-line training platform run by Hymans offering bite size training on demand, regular training at Committee meetings (with an updated Committee structure to accommodate training at each meeting).
Governance of asset pooling - management of relationship with Border to Coast	Various levels of oversight including Joint Committee, officer operations group, senior officer group, a governance charter, and full review was undertaken in 2022/23.

Key risk identified:	A range of risk management controls are in place including:
INVESTMENT AND POOLING	
Required returns not met due to poor strategic allocation and assets not enough to meet liabilities	Professional advice, triennial actuarial review, performance monitoring, regular reporting to Pensions Committee, monthly letter sent to members covering previous months' performance, strategic asset allocation review undertaken in 2022/23.
Poor long term investment performance or non-compliance from managers	Performance measurement by Northern Trust, managers regular reports, reporting to pensions committee, diversification of assets, regular manager meetings, long term investment timeframe, currently refreshing manager monitoring arrangements.
Asset pooling - transition of assets from existing mandates to Border to Coast	Officer operations and investments groups, workstreams within Border to Coast, regular communication to Committee, senior officer meetings, use of transition managers, transition plan for pooling all assets.
Failure to meet requirements as a responsible investor - across all ESG risks (including climate change and a move to a low carbon economy)	Border to Coast assistance, managers reporting requirements, LAPFF membership, voting and corporate governance policy, RI policy, RI Beliefs, quarterly stewardship paper to Committee, signatory of FRC UK Stewardship Code, increased focus on ESG investments, climate reporting training and net zero planning.
Cashflow - not enough income to meet pension payments due	Asset allocation review to increase income generating assets when required, cashflow monitoring, work with Border to Coast on income options from their investment vehicles.
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	Fiduciary duty and role of Committee, regular meeting across all levels with Border to Coast and Partner Funds, planning how to manage potential new funds joining Border to Coast or merger proposals, clear transition plan with appropriate timescales and justifications for assets which are not yet pooled.

Key risk identified:	A range of risk management controls are in place including:
ADMINISTRATION & OPERATIONAL	
The administrator does not perform its functions in accordance with the agreement	Performance Indicators, bi-monthly meetings with WYPF, horizon scanning, internal controls and audits, collaboration agreement, benchmarking and performance data, process management, complaint reporting, customer surveys, reporting to Committee and Board.
Cyber security breach	WYPF and Bradford Council policies, LCC policies and training, external provider control reports, internal audit by Bradford Council on WYPF policies and procedures, Bradford Council disaster recovery testing, increased focus on cyber risk.
Employers exiting	Admission agreements, pass-through policy, exit credit policy, bonds/guarantees, covenant monitoring, contribution monitoring, employer communication, employer focused Pension Fund Representative roles.
Fraud risk not managed	Separation of duties, internal and external audit, monthly reporting, reconciliation procedures, regular National Fraud Initiative reporting, ongoing review of high-risk (overseas) pensioners.
Changes in legislation not implemented correctly, currently McCloud and Pensions Dashboard	Regular meetings with and reporting from WYPF, LCC staff appropriately qualified and aware of legal requirements, Pension Fund managed in line with statutory regulations, membership of professional networks e.g. PLSA, Pension Board oversight, working closely with software supplier to develop admin system, Head of Lincolnshire Pension Fund member of PLSA LA Policy Committee.
Late contribution and poor overall employer performance	Finance Technician role in the team is largely focussed on monitoring employer performance. Employers of concern are monitored more closely. Regular meetings with PFR's at WYPF to ensure employers are meeting their statutory responsibilities.
Risks arising from the Fund's relationship with administering authority (e.g. reliance on shared policies and resources)	Interaction with departments from Head of Lincolnshire Pension Fund as part of Senior Leadership Team, reporting line to Assistant Director – Finance, team's involvement in cross-council groups e.g. resources risk management, change influencers.

Key risk identified:	A range of risk management controls are in place including:
PEOPLE	
Loss of key staff and loss of knowledge and skills	Diversified staff / team, look at other authorities with best practices to ensure LCC positions still desirable, attendance at pensions user groups, procedure notes, section meetings / appraisals, regular team building, B2C and partner funds relationships, training requirements and qualifications, LCC team structure increased by two posts which are career grade and offer a structured training and progression plan.

2 Governance and Training

Fund Governance Structure

The Fund’s Governance Compliance Statement can be found [here](#). The following sections detail how the Fund has complied with this.

Committee Structure and Role

Lincolnshire County Council, as Administering Authority for the Fund, has delegated the investment arrangements of the Pension Fund to the Pensions Committee (the “Committee”), who decide on the investment policy most suitable to meet the liabilities of the Fund. Terms of Reference for the Committee are set out in the [Council's Constitution](#).

The Committee is made up of County Councillors, and employer and scheme member representatives as detailed in the table below. This ensures that both employers, who bear the financial risk of the Fund, and scheme members who will be, or are, receiving benefits from the scheme, are involved in the decision-making process. All members of the Committee have full voting rights. All councillors are required to follow the code of conduct set out within the constitution.

Body/category of bodies represented:	Membership
Lincolnshire County Council (elected Councillors)	8
District Council Representative	1
Small Scheduled Body Representative	1
Academy Sector Representative	1
Scheme Member Representative (Lincolnshire County Council)	1
Total:	12

Pensions Committee Members as at 31 March 2024

County Councillors

M G Allan
P Ashleigh-Morris
A W Briggs
S Bunney
P E Coupland (Vice Chairman)
T J N Smith
E W Strenziel (Chairman)
One vacant position

District Council Representative

P Key (West Lindsey District Council)

Representative of Small Scheduled Bodies

S Larter (Witham & Humber Drainage Boards)

Representative of the Academy Sector

T Hotchin (Market Rasen De Aston School)

Scheme Member Representative

J Balchin (Lincolnshire County Council)

The Committee meetings are split across two areas - Investment and Stewardship, and Administration and Governance. Each area has four quarterly meetings, making a total of eight Pension Committee meetings each year. These meetings allow for oversight and challenge across all areas of the Fund. Additional meetings may be convened where required.

A record of movements of Committee members throughout the year can be seen below:

Committee member changes year ending 31 March 2024	Joined	Left
Cllr S Bunney	May 2023	
Cllr A Briggs	May 2023	
Cllr T Young (district representative)	May 2023	October 2023
Cllr P Dilks	May 2023	January 2024
Cllr P Key (district representative)	December 2023	
A Antcliffe (scheme member representative)		April 2023
J Balchin (scheme member representative)	December 2023	

Following the council’s AGM in May 2023, Cllr’s Bunney, Briggs, and Dilks joined the Committee. Cllr Young joined as the District Council representative. Unfortunately, Cllr’s Young and Dilks were unable to meet the required time commitment and left mid-year. Cllr Key replaced Cllr Young, joining in December 2023, and Cllr Dilks’ place was vacant until the AGM of May 2024. A Antcliffe left the pensions committee in April 2023, and J Balchin took the vacant position of scheme member representative from December 2023.

Attendance at Committee meetings throughout 2023/24 can be seen below:

	June 23	July 23	Sep 23	Oct 23	Dec 23	Jan 24	Feb 24	Mar 24
Cllr E W Strengiel (Chairman)	✓	✓	✓	✓	✓	✓	X	✓
Cllr P E Coupland (Vice Chairman)	✓	✓	✓	✓	X	✓	✓	X
Cllr M G Allan	✓	✓	✓	✓	✓	✓	X	X
Cllr P Ashleigh-Morris	X	X	✓	X	X	✓	X	✓
Cllr A Briggs	✓	✓	✓	✓	✓	✓	✓	✓
Cllr T Smith	✓	X	✓	✓	✓	✓	✓	✓
Cllr S Bunney	X	✓	✓	✓	X	✓	✓	✓
Cllr P Dilks*	X	X	X	✓	X	X	-	-
S Larter	✓	X	✓	X	✓	X	X	✓
Cllr T Young (district rep)**	X	X	X	X	-	-	-	-
Cllr P Key (district rep)***	-	-	-	-	✓	X	✓	✓
T Hotchin	✓	✓	✓	✓	✓	✓	X	✓
J Balchin***	-	-	-	-	✓	✓	X	✓
Total Attendance	7	6	9	8	8	9	5	9
Total Committee size	12	12	12	12	12	12	12	12

*Cllr. Dilks left the Committee following the January 2024 meeting

**Cllr. Young left the Committee following the October 2023 meeting

*** J Balchin and Cllr. P Key joined the Committee as of December 2023

The Committee has a fiduciary duty to its employers and members and is required to take account of financially material considerations, whatever their source, and this includes environmental, social and governance considerations, including climate change. It recognises the vital role of being a responsible asset owner to meet its requirements to be a long-term sustainable investor.

In order to effectively carry out their role, the Committee obtain professional advice as and when required, from suitably qualified persons, including external advisers as set out on Page 2.

Internally, the Committee is supported by Officers of the Council including the Deputy Chief Executive and Executive Director of Resources (S151 Officer to the Fund), Assistant Director – Finance, Head of Legal Services (Monitoring Officer), Head of Lincolnshire Pension Fund, and the Accounting, Investment and Governance Manager.

The key officers involved in the day-to-day management of the Fund are set out below, with relevant qualifications and experience:

Name and title	Experience	Relevant Qualifications	Years Relevant Experience
Jo Kempton Head of Lincolnshire Pension Fund	Jo started in the Pensions team in 1999, as an Investment Officer, and has worked through positions of Assistant Investment Manager, Investment Manager and has been Head of Lincolnshire Pension Fund since 2008. Jo has covered every aspect of Fund Management including internal portfolio management, fund accounting and governance.	IMC	25
Claire Machej Accounting, Investment and Governance Manager	Claire joined the team in 2018, having previously worked as a Head of Finance for the Council in the Corporate team. Claire is a qualified accountant and has completed stage one of the IMC qualification.	CPFA (studying IMC)	6

Board Structure and Role

The Council established a Local Pension Board (the "Board") under Regulations 105 to 109 of the Local Government Pension Scheme Regulations 2013 (as amended) which operates independently of the Pensions Committee. The purpose of the Board is to assist the Administering Authority in its role as a scheme manager, as set out in the Board's Terms of Reference. Such assistance is to:

- a) Secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme, and;
- b) Ensure the effective and efficient governance and administration of the Scheme.

The Board consists of four voting members; two representing Scheme Members and two representing Scheme Employers, and an Independent Chairman. Further details are shown below:

Independent Chairman (non-voting)	Roger Buttery
Employer Representatives (voting)	Cllr. M A Whittington Peter Allan
Scheme Member Representatives (voting)	Kim Cammack David Vickers

Following the end of his term, Gerry Tawton (employer representative) stepped down from his role on the Board, and was replaced by Peter Allan, an employee of an academy within the Fund. A record of movements of Board members throughout the year can be seen below:

Board member changes year ending 31 March 2024	Joined	Left
Peter Allan (employer representative)	July 2023	
Gerry Tawton (employer representative)		March 2023

Attendance at Board meetings throughout 2023/24 can be seen below:

	July 23	Nov 23	Jan 24	Mar 24
R. Buttery (chairman)	✓	✓	✓	✓
Cllr M Whittington	✓	✓	X	X
P Allan	✓	X	✓	X
K Cammack	X	✓	✓	✓
D Vickers	X	✓	✓	✓
Total Attendance	3	4	4	3

Pension Fund Knowledge and Skills Policy and Report

As an administering authority of the Local Government Pension Scheme, Lincolnshire County Council recognises the importance of ensuring all staff and individuals charged with the financial management and decision making regarding the Pension Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them. Within the management of the Pension Fund, LCC seeks to appoint individuals who are both capable and experienced. They will provide and arrange training for staff and individuals involved to enable them to acquire and maintain an appropriate level of expertise, knowledge, and skills.

An annual training plan is agreed by the Pensions Committee each year, setting out what training will be covered over the coming year and linking it back to the CIPFA Knowledge and Skills Framework. Knowledge and skills are acquired and maintained through attendance at the regular Pensions Committees, as well as through additional training sessions targeting specific areas, and attendance at seminars and conferences. In addition, all members are offered the opportunity to attend the three-day fundamentals training arranged by the Local Government Association (or an equivalent course) and all new members are given a one-to-one training session with the Head of Lincolnshire Pension Fund.

As part of the Committee’s training policy, also reviewed annually, all Committee members are required to complete the Pension Regulator’s Public Sector Toolkit within the first six months of joining the Committee, and the LGPS Online Learning Academy (LOLA) training tool, as provided by Hymans Robertson, within the first twelve months, and refreshed at least every two years.

The Pension Board has its own Training Policy, approved annually, and training is a standing item on their quarterly meeting agenda.

The tables below sets out which members of the Committee and Board have completed their mandatory training:

Committee Member	Initial One-to-One Training	Hymans Robertson LGPS Online Learning Academy
Cllr Peter Coupland	Completed	Completed
Cllr Alan Briggs	Completed	Partially Completed
Cllr Eddie Strengiel	Completed	Completed
Cllr Mark Allan	Completed	Completed
Cllr Marrienne Overton *	Outstanding	Outstanding
Cllr Paula Ashleigh-Morris	Outstanding	Outstanding
Cllr Stephen Bunney	Completed	Completed
Cllr Tom Smith	Completed	Partially Completed
Cllr Paul Key	Completed	Completed
Jo Balchin	Completed	Completed
Steve Larter	Completed	Outstanding
Tom Hotchin	Completed	Completed

*Cllr Overton joined the Committee as of May 2024

Board Member	Initial One-to-One Training	Hymans Robertson LGPS Online Learning Academy
Roger Buttery	Completed	Completed
David Vickers	Completed	Completed
Kim Cammack	Completed	Completed
Cllr Mark Whittington	Completed	Partially Completed
Peter Allan	Completed	Outstanding

Training Activity in 2023/24

A full training plan was taken to Pensions Committee in July 2023 to identify training requirements over the coming year. The training plan was linked to specific areas within the CIPFA Knowledge and Skills Framework, which was last updated in 2021.

The eight areas within the Knowledge and Skills Framework are:

1. Pensions legislations and guidance
2. Pensions Governance
3. Funding strategy and actuarial methods
4. Pensions administration and communications
5. Pensions financial strategy, management accounting, report and accounts
6. Investment strategy, asset allocation, pooling, performance, and risk management
7. Financial markets and products

8. Pensions services procurement, contract management and relationship management

The table below details the various areas covered in training and Committee presentations during the year, and the areas within the Knowledge and Skills Framework that they relate to.

As training is undertaken as part of a Committee or Board meeting, the attendance at the training mirrors that of the attendance at meetings in the tables above.

Date	Subject matter	KSF area(s)
31 May 2023 – Committee Meeting (AM only)		
Reports & Training	Stewardship Update Report	2, 6
	Market Update Report	7
	Investment Management Report	6, 7
	Asset Pool transitions	6
	Independent Advisor Discussion	6, 7
Manager Presentation	Manager Presentation – Border to Coast	6
13 July 2023 – Committee Meeting (AM only)		
Reports & Training	Local Board Report	2
	Fund Update Report	1, 2, 3, 6, 8
	Annual Training Plan and Policy Review	1, 2
	Pensions Administration Report	1, 4
	Shared Service Admin Review	1, 4, 8
	Annual Report and Accounts: Draft Accounts and Audit Plan	5
	The Pensions Regulator General Code of Practice Review	1, 2, 5, 6
	Training: TCFD	
13 July 2023 – Board Meeting (PM only)		
Reports & Training	New Board Members Report	2
	Fund Update Report	1, 2, 3, 8
	Pensions Administration Report	1, 4
	The Pensions Regulator Data Scores	2, 4
	Draft Annual Report	2
	Board Member Training Update Report	1, 2
	Pension Fund Work Plan	1, 2
13 September 2023 – Committee Meeting (AM only)		
Reports & Training	Stewardship Update Report	2, 6
	Market Update Report	7
	Annual Property and Infrastructure Report	6, 7
	Investment Management Report	6, 7
	Training: TCFD	1, 2, 5, 6
Manager Presentation	Manager Presentation – Morgan Stanley private markets	6
4 October 2023 – Committee Meeting (AM only)		
Reports & Training	Local Board Report	2
	Fund Update Report	1, 2, 3, 6, 8
	Pensions Administration Update	1, 4
	Risk Register Annual Review	6

Date	Subject matter	KSF area(s)
	Annual Performance Report	2, 6
	Annual Report and Accounts: Draft Accounts and Audit Plan	5
Manager Presentation	(Training) Strategy Update – Border to Coast	2, 6, 8
9 November 2023 – Board Meeting (PM only)		
Reports & Training	Fund Update Report	1, 2, 3, 8
	Pensions Administration Report	1, 4
	Temporary Bank Account Report	4
	Risk Register Review	2, 4
	Border to Coast Annual Report	5, 8
	Board Member Training Update Report	1, 2
	Pension Fund Work Plan	1, 2
6 December 2023 – Committee Meeting (AM only)		
Reports & Training	Stewardship Update Report	2, 6
	Border to Coast RI and Voting Policies	2, 6
	Market Update Report	7
	Investment Management Report	6, 7
Manager Presentation	Manager Presentation – Border to Coast (equity fund)	6
11 January 2024 – Committee Meeting (AM only)		
Reports & Training	Local Board Report	2
	Fund Update Report	1, 2, 3, 6, 8
	Pensions Administration Update	1, 4
	Annual Update on The Pensions Regulator Data Scores	1, 2, 4
	Annual Employer Monitoring Report	1, 2, 4
Training	TCFD - Climate Risk for Pension Funds – Barnet Waddingham	1, 2, 5, 6
11 January 2024 – Board Meeting (PM only)		
Reports & Training	Fund Update Report	1, 2, 3, 8
	Pensions Administration Update	1, 4
	The Pensions Regulator Data Scores	2, 4
	Data Analytics Review	4
	Annual Employer Monitoring	4, 5, 8
	External Audit Update	5, 8
	DLUHC Pooling Consultation	1
	Board Member Training Update Report	1, 2
	Pension Fund Work Plan	1, 2
21 March 2024 – Committee Meeting (AM only)		
Reports & Training	Local Board Report	2
	Fund Update Report	1, 2, 3, 6, 8
	Pensions Administration Update	1, 4
	Pension Fund Annual Policies Review	1, 2
	Pension Fund 2024/25 Business Plan and Budget Setting	2, 5
	Annual Report and Accounts: accounting Policies, Changes and External Audit Plan	5

Date	Subject matter	KSF area(s)
Training	Valuation 2025	3
21 March 2024 – Board Meeting (PM only)		
Reports & Training	Fund Update Report	1, 2, 3, 8
	Pensions Administration Report	1, 4
	Temporary Bank Account Report	4
	Pension Fund Policies	2, 4
	Business Plan and Budget Setting	2, 5
	Annual Report and Accounts	5
	Review of IDR Process	1, 4
	Board Member Training Update Report	1, 2
	Pension Fund Work Plan	1, 2

As the officer responsible for ensuring that the training policies and strategies are implemented, the Deputy Chief Executive and Executive Director - Resources can confirm that the officers and individuals charged with the financial management of and the decision making for the Pension Fund collectively possess the requisite knowledge and skills necessary to discharge those duties and decisions required during the reporting period.

Pensions Committee Summary 2023/24

Details of the reports presented to the Pensions Committee over the financial year are shown in the table above and highlights the key areas of work of the Committee over the year. Additional information is shown below across the key areas.

Investment Performance

The Fund has an investment objective to meet its liabilities over the long term and to produce a return of 0.75% p.a. over the return produced by the strategic asset allocation benchmark.

The twelve-month period ended 31 March 2024 saw the value of the Fund’s investment assets increased by £331.3m to £3,364.9m. The overall investment return of 10% was behind the Fund’s specific benchmark return of 11.4%. Since inception, the Fund’s annualised investment performance of 8.14% is slightly behind the benchmark return of 8.31%.

Over the year, the Committee received detailed quarterly reports and comment on individual manager performance and received presentations from Border to Coast and Morgan Stanley.

Governance

The Annual Training Plan and Policy was brought to the July meeting, and members were reminded of the mandatory training requirements set out within the policy.

The Committee reviewed the Fund’s risk register at the October 23 meeting, to ensure that it covered the key risks of the Fund, and that appropriate controls were in place.

The January meeting covered the annual employer monitoring, to report where employers were not meeting their regulatory requirements, and explain the work undertaken with them where there were concerns. In addition, the data scores submitted to the Pensions Regulator was

presented in a report, to understand progress in improving the scores and the data improvement plan that the administrator had in place.

The Committee received quarterly updates on the Fund's compliance with the Pension Regulator's Code 14 for Public Sector bodies, and training was provided at the March 24 meeting to update the Committee on the new General Code, that came into force that month. That meeting also had the annual policy review and the business plan brought before the Committee.

Corporate Governance and Responsible Investing

The Fund expects its appointed investment managers to act as responsible investors and that they fully integrate environmental, social and governance (ESG) issues into their investment process. It has produced a Responsible Investment Policy and Responsible Investment Beliefs that can be found, alongside other policies, on the Council's website. The Fund works closely with Border to Coast and the other Partner Funds of the asset pool to agree its approach to RI and stewardship, and the Border to Coast policies were approved at the December meeting.

The Fund is a member of the Local Authority Pension Fund Forum (LAPFF), an organisation that monitors the governance of companies. The LAPFF seeks to protect and enhance shareholder returns by engaging with companies on a wide range of ESG issues and encouraging improvement where required. Officers participated in business meetings throughout the year and attended the Annual Conference in December.

The Fund's Stewardship Code Statement for 2022/23 was again successful in meeting the new standard required under the Financial Reporting Council's 2020 Stewardship Code to explain how it acts as a responsible shareholder and is published on the Council's [website](#).

Over the year the Committee received training to prepare for the climate reporting requirements that are expected to come into force in the coming year.

Strategic Asset Allocation

Work continued on the strategic asset allocation review, with the final changes agreed at the September 2023 Investments and Stewardship Pensions Committee. Details of the changes can be found in the Investments and Funding section on page 77.

Pensions Administration

The pensions administration service is performed in a shared service arrangement with West Yorkshire Pension Fund (WYPF). A satellite office for WYPF is based in Lincoln, co-located with the LCC Pension Fund team. More information on the performance of the pensions administrator can be found under Administration at page 86. The Fund works closely with its employers and WYPF to improve all aspects of administering the scheme.

The Committee received regular updates on the administration service including KPI's, the budget, the risk register, and regulatory updates. Resourcing was a continuing concern, as it is across all LGPS Funds, due to the technical specialities required, however updates were provided at every quarterly meeting on the resourcing plan.

Local Pension Board

The Local Pension Board for the Lincolnshire Pension Fund was set up in April 2015, as prescribed in the Public Service Pensions Act 2013 and the Local Government Regulations 2013. Its oversight role to ensure that the Fund is meeting all the requirements for administration and governance, as set out in the various regulations and by the Pensions Regulator, has been a welcome addition to the governance structure of the Pension Fund.

The Independent Chair of the Board provided an update paper at each quarterly Administration and Governance meetings, to highlight any areas of concern and to provide assurance to the Committee through the work it had done.

Asset Pooling

The requirement to pool the Fund's assets with other LGPS Funds came into statute in November 2016. Lincolnshire chose to become part of the Border to Coast Pensions Partnership (Border to Coast), alongside ten other partner LGPS funds. Progress has continued to ensure that Border to Coast is able to implement the investment strategy of the eleven partner funds, over the long term.

The oversight of the asset pool is carried out by a Local Government Joint Committee, on which the Chairman of the Pensions Committee sits, and by the Administering Authority as a shareholder. The objective of Border to Coast is to reduce investment costs, improve performance and increase resilience across the Funds, over the long term.

The Committee were updated quarterly on the work of the Joint Committee, the developments within Border to Coast, and shareholder activity.

Over the year, commitments were made to the Overseas Property fund, and assets were transitioned across existing funds to reflect the changes to the strategic asset allocation, reducing the allocation to the UK Equities fund and the Global Equity Alpha fund, investing in Overseas Developed Equities, and increasing the allocation to the Multi Asset Credit fund.

Councillor Eddie Strengiel

Chairman

Pensions Committee

Annual Report of the LGPS Local Pension Board 2023/2024

Introduction

I am pleased to present the report of the Local Pension Board of Lincolnshire County Council (LCC) for the year 2023/2024.

Pension Boards were introduced into the Local Government Pension Scheme (LGPS) from April 2015 under the Public Sector Pensions Act 2013 with the responsibility to assist administering authorities, in particular pension managers, and to secure compliance with the LGPS regulations.

The Lincolnshire Local Pension Board was established by the Administering Authority in June 2015 and operates independently of the Pensions Committee.

Purpose

The Board's role is to work closely in partnership and assist the Administering Authority in its role as Scheme Manager in relation to the following matters:

- Securing compliance with the Scheme Regulations and any other legislation relating to the governance and administration of the Scheme;
- Securing compliance with the requirements imposed by the Pensions Regulator (TPR) in relation to the Scheme;
- Ensuring any breach of duty is considered and followed under the Scheme's procedure for reporting to TPR and to the Scheme Manager;
- Assisting the Scheme Manager to ensure the effective and efficient governance and administration of the Scheme; and
- Such other matters as the Scheme Regulations may specify.

Further detailed information on the Board's functions is set out in the Terms of Reference.

Constitution and Membership

The membership of the Board during the period was as follows:

- **Independent Chair** (non-voting)
Roger Buttery
- **Two Employer Representatives** (both voting)
Councillor Mark Whittington (Lincolnshire County Council)
Peter Allan (Stamford St Gilbert's Academy)
- **Two Member Representatives** (both voting)
David Vickers
Kim Cammack

Four meetings were held within the period – 13 July 2023, 9 November 2023, 11 January 2024, and 21 March 2024.

All the Board Members have completed the Pension Regulator’s Public Service toolkit. In addition, Board Members have either completed, or part completed, the eight modules of the Hymans LGPS Online Learning Academy. Board Members have also attended a variety of externally organised conferences and seminars throughout the year as well as internal training sessions on Asset Classes, Investment Strategy, and the General Code.

The Work Programme

The Board has an annual work programme. Over the course of the years, the Board considered:

- **Service Provision** – a report from WYPF on current administration issues within the Lincolnshire Pension Fund. The Key Performance Indicators (KPIs) are an important consideration. Throughout the year, the Board has been reasonably comfortable with the performance of WYPF and most of the critical KPIs have been in the 95% range. Recruitment and resourcing were ongoing issues and WYPF had experienced peaks and troughs which had impacted workflows at various points throughout the year. The good news is that some vacancies had been filled and performance across key areas had improved.

At alternative meetings during the year, the representative from WYPF was questioned on the data scores as reported to the Pensions Regulator (TPR). At the January 2024 meeting, the reported scores were Common data 96.18% and Scheme Specific data 87.68%. Both scores showed only marginal changes to those recorded six months previously. The target is 100%, particularly for Common data. Much of the missing data is historic and therefore currently it is not reported in the data fields. The pensions team face immense pressure in actioning this work alongside other demands. The PB will continue to monitor WYPF’s progress against the data improvement plan.

The Board also noted that around 99% of the Annual Benefit Statements had been issued to members by the statutory deadline. This was considered to be an excellent achievement. However, the Board expressed continuing concern at the apparent low number of members who had accessed the statements.

WYPF updated the PB on progress with the development of the national initiative on Pension Dashboards. Although connecting to dashboards has been delayed by the Department of Work & Pensions until 31 October 2026, WYPF is planning to meet the original deadline of September 2024.

Whilst there is a concern over meeting the TPR’s targets on data quality, overall, the Board’s conclusion was that the administration of the scheme continues to be sound.

- **Annual Employer Activity and Monitoring Report** – the PB noted that there had been a net gain of eight new employers over the period reported to the Board. Late and/or inaccurate employer submissions were low in number and there were no significant concerns to report. Disappointingly during the twelve-month period, there were 37 late payment of monthly contributions which, given the number of employers (~260), means that compliance is good. Even so, the PB remains disappointed that some employers fail to pay the pension contributions by the statutory deadline of 19th of the month following the month the salary payments were made. There was a recognition that a large proportion of late submissions were due to issues

with the employers' payroll providers. Efforts will therefore continue to remind employers/payroll providers of their duties and responsibilities through individual contacts either in person, by email or telephone. The Board will keep this issue under close review.

- **Annual Report & Accounts and External Audit** – the PB received regular progress reports on the Pension Fund's draft Annual Report & Accounts for 2022/2023. The Board was delighted that the external audit of the 2022/2023 Accounts was completed with an unqualified opinion in December 2023 and subsequently signed off. This places Lincolnshire in a very good position and well ahead of most local authorities.

The PB has been monitoring the national scene including reports and consultation documents on local audit delays and proposals to clear the back log. Fortunately, Lincolnshire is well ahead of the game in that respect and the Head of Lincolnshire Pension Fund was congratulated on producing an excellent Annual Report and Accounts.

Internal audit activity – the Board received updates on the activity of LCC and Bradford Council Internal Audit Teams throughout the year. LCC internal audit team looked to seek assurance over the adequacy of the Pensions Administration Service. To maximise efficiencies and avoid duplication, LCC's internal audit team sought to place assurance on the relevant work undertaken by the internal auditors of WYPF, Bradford Metropolitan District Council (MDC). The review found LCC internal audit team could continue to place assurance on the audits carried out by Bradford Council. The Board also received summary results from audits carried out by Bradford Council during the year on several aspects of the pensions administration service, including: Reimbursement of Agency Payments (audit opinion = excellent), Existing Employers (audit opinion = good), and New Pensions and Lump Sums – Ill Health Pensions (audit opinion = excellent).

- **The pension regulator's code of practice** - Lincolnshire's compliance to the Code is regarded as a very important report.

The eleven elements of the Code are:

- a) Reporting duties;
- b) Knowledge and understanding;
- c) Conflicts of interest;
- d) Publishing information about schemes;
- e) Managing risk and internal controls;
- f) Maintaining accurate member data;
- g) Maintaining contributions;
- h) Providing information to members and others;
- i) Internal dispute resolution;
- j) Reporting breaches of the law; and
- k) Scheme advisory board.

A checklist of 99 items covering the above was produced in a traffic lights format. It is pleasing to report that Lincolnshire was largely compliant throughout the year. As at March 2024, there were 94 green and 1 not relevant. There were 4 partially compliant – 1 related to knowledge and

understanding. The other 3 related to certain aspects which are outside direct control. Whilst all Board members have completed this training the PB has expressed concern at the length of time it is taking several Pensions Committee members to complete the TPR's tool kit. The Board considered that the compliance to tPR's Code was very good.

Conclusion

The Board considers the governance and administration of the Scheme to be sound. Lincolnshire's compliance to the vast majority of TPR's Code of Practice is particularly impressive. The Report and Accounts for 2022/2023 was an excellent document and there was an unqualified audit report. The Board will continue to monitor various national initiatives if any proposals unfold.

The Board would like to express its thanks to Jo Kempton, Head of Lincolnshire Pension Fund, her Team and the staff of WYPF, for the huge amount of work undertaken during the year. Finally, I should like to thank the four Board Members for their considerable input and support during the year. As I will be retiring in July, this will be my final annual report. I wish the new Chair and Board members every success in the future.

Roger Buttery
Pension Board Chair
May 2024

Conflicts of Interest

The Committee and Board have a Code of Conduct and Conflicts of Interest policy, that can be found [here](#). This sets out the expectations of members behaviours and requires members on appointment to declare any potential conflicts of interest, and to update that declaration when necessary.

In addition, at the start of any Committee or Board meeting members are asked to declare any interests to ensure that any potential conflicts can be addressed.

Asset Pool – Oversight & Governance

Border to Coast Pensions Partnership Ltd (Border to Coast) went live in July 2018 as a fully regulated asset management company, jointly owned by eleven partner funds' administering authorities, with each Fund having an equal share in the company. Border to Coast's role is to implement the investment strategies of the partner funds, through a range of investment sub-funds offering internally and externally managed solutions.

Border to Coast is based in Leeds and has 157 employees. This includes a large team to directly manage assets, alongside a team to select external managers. As an FCA regulated company, Border to Coast must comply with the same requirements as any other asset manager and is subject to company legislation.

At the end of March 2024, Border to Coast had £31.3bn under management across ten collective investment vehicles, £15.6bn of Private Market commitments and £0.9bn of Real Estate commitments from partner funds.

Border to Coast has eleven LGPS partner funds – Bedfordshire, Cumbria, Durham, East Riding, Lincolnshire, North Yorkshire, South Yorkshire, Surrey, Teesside, Tyne & Wear and Warwickshire. The Chairs of the Pensions Committees of these funds sit on a Joint Committee to exercise oversight of the investment performance of the company and report back to, and take feedback from, the various Pensions Committees. In addition, there is a scheme member representative that has a non-voting seat on the Joint Committee, who is nominated by the eleven Partner Funds' Local Pension Boards. The Joint Committee represents the Funds as investors in Border to Coast.

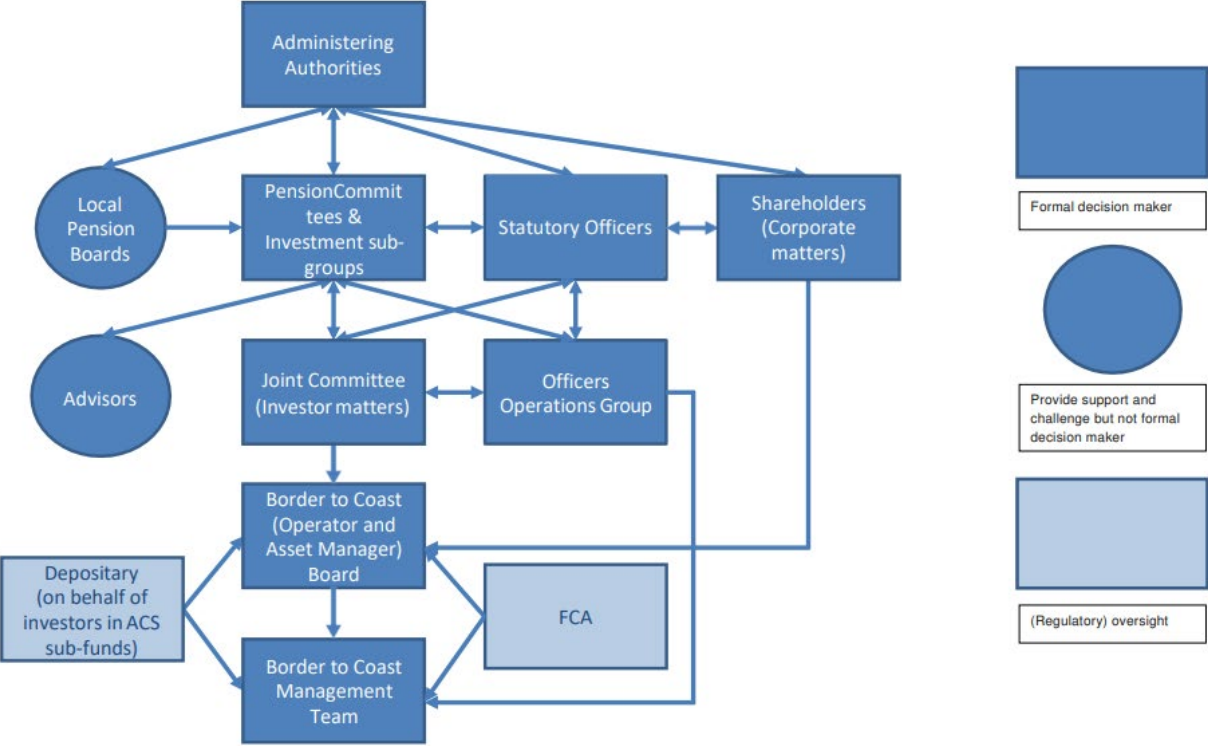
As Border to Coast is jointly owned by the administering authorities of the Pension Funds, there is also a shareholder role that the authorities provide, and the responsibilities are all set out in a shareholder agreement.

Pension Fund Officers provide day-to-day oversight and work closely with Border to Coast to ensure that the company provides the investment vehicles the funds need to implement their investment strategies.

Border to Coast publish a [Governance Charter](#) to summarise the governance arrangements for the pool, including capturing the structure and roles, responsibility and authority of the following in relation to Border to Coast:

- The Administering Authorities
- The Pension Committees
- Advisors to Pension Committees
- Local Pension Boards
- The Joint Committee
- Officers Operations Group
- Statutory Officers (including s151s and monitoring officers)
- Shareholders
- Border to Coast Board
- Border to Coast Management Team
- The Financial Conduct Authority (FCA)
- The Depositary (in respect of regulated collective vehicles such as the ACS)

The chart below shows the structure for oversight of Border to Coast.



3 Financial Performance

Income and Expenditure

The Pension Fund 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 via a Shared Service with West Yorkshire Pension Fund.
- **Investment Management Expenses** include the cost of Fund Managers and the Fund's Custodian.
- **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.

	Original Budget 2023/24 £000	Actuals 2023/24 £000	Variance £000
Administration Costs			
Charge from Shared Service Administrator	1,430	1,513	83
Other Costs	1	0	(1)
Investment Management Expenses			
Management Fees	10,200	9,222	(978)
Performance Related Fees	1,500	233	(1,267)
Other Fees	840	1,511	671
Oversight and Governance Costs			
Contracted Services	349	433	84
Recharge of Actuarial Services	(102)	(156)	(54)
Recharge from Administering Authority (including staff costs)	295	303	8
Border to Coast Governance Costs	320	337	17
Other Costs	21	29	8
Total	14,854	13,425	(1,429)

At the end of the year, variances between the original budget and actual expenditure included:

- **Administration Costs:** At the end of the financial year the charge for the administration service from West Yorkshire Pension Fund is reviewed and updated to reflect the actual number of members and the annual charge per member. The actual cost for 2023/24 was £18.42 (including a £0.80 charge per member relating to McCloud remedy implementation) per member. The cost per member was lower than originally charged to the Fund (£18.64 per member) due to underspend on staff vacancies & use of contingency to support a number of overspending areas. The Fund saw an increase in actual membership verses the estimate. This has increased the final charge to the Fund.

- Investment Management Expenses:** Investment management and performance related fees are less than the original budget. As the Fund increases the percentage of its assets with Border to Coast, it has benefitted from reduced management fees. The Fund set a budget for £1.5m for performance related fees. During 2023/24 our private markets portfolio did not reach the performance hurdle required for payment. Other fees include both transaction costs and custody fees. Transaction costs exceeded the original budget set due to movements to bring assets in line with the Fund's revised strategic asset allocation, as approved by Committee in September 2023.
- Oversight and Governance Costs:** Oversight and governance costs were broadly in line with the budget set.

Contributions received and benefits paid

	2022/23 (£'000)	2023/24 (£'000)
Contributions and Benefits		
Contributions Receivable	(135,108)	(151,367)
Transfers In from other Pension Funds	(10,049)	(13,006)
	(145,157)	(164,373)
Benefits Payable	105,863	120,762
Payments To and On Account of Leavers	8,661	6,563
	114,524	127,325
Net (additions)/withdrawals from dealings with Fund Members	(30,633)	(37,048)

Narrative for the changes in contributions receivable is set out in the paragraphs below.

Transfers into and out of the scheme will vary year on year as employees with existing pensions leave and join the scheme. The Fund is not able to influence these values as the decision is made by the individual employee within the first year of their employment.

A key element of the benefits payable increase was due to the 10.1% inflationary increase applied from 10 April 2023.

Contributions Receivable

	2022/23 (£'000)	2023/24 (£'000)
Employers		
Normal	77,979	115,362
Deficit Funding	29,532	5,196
Additional – Augmentation	823	1,126
	108,334	121,684
Employees		
Normal	26,661	29,552
Additional Years	113	131
	26,774	29,683
	135,108	151,367

The main reason for the increase in normal employer contributions is explained by the 2022 triennial valuation results, which applied to contributions from 1 April 2023. The Fund's total primary rate increased from 18.6% to 24.1%. Conversely, the secondary (deficit) payments reduced as funding levels for most employers increased.

The increase in employee contributions reflects the Local Government pay award for 2023/24, which applies to most scheme employers.

Non-Investment Assets and Liabilities

	31 March 2023 (£'000)	31 March 2024 (£'000)
Non-Investment Assets and Liabilities		
Current Assets	28,682	30,986
Current Liabilities	(3,227)	(3,215)
Net (additions)/withdrawals from dealings with Fund Members	25,455	27,771

Current assets include operational cash and contributions due to the fund from scheme employers. Employers have until the 19 of the month following their payroll to pay contributions over to the Fund. At 31 March 2024 outstanding employer contributions were £8.938m and outstanding employee contributions £1.807m. These amounts vary year on year due to the timing of payments received from employers. Current liabilities include payments due to members (for example, lump sum retirements) and fees due to investment managers.

A further breakdown of current assets and current liabilities can be found in the pension fund accounts at Notes 19 and 20 on page 71.

Employee and Employer Contributions as a percentage of Pensionable Pay

	Pensionable Pay (£'000)	EE's contributions (£'000)	ER's contributions (£'000)	EE's % of Pensionable Pay	ER's % of Pensionable Pay
2022/23	457,194	26,774	108,334	5.9%	23.7%
2023/24	507,291	29,683	121,684	5.9%	24.0%

Late and Overdue Contributions

The below table lists the numbers of employers who have either submitted late contributions data, paid late cash contributions, or both, during 2023/24. The average number of contributing employers in the Fund during 2023/24 was 277.

Month	Late Payment of Contributions	Late Submission of Data	Both Late Payment & Data
April	1	10	0
May	2	11	0
June	4	9	2
July	0	1	0
August	1	6	2
September	3	5	1
October	2	5	0
November	1	5	2
December	1	1	0
January	1	9	0
February	0	3	0
March	0	2	2
Total	16	67	9

Contributions are paid by the employers directly into the Lincolnshire Pension Fund bank account, and monthly data submissions are sent to the Fund's administrator, WYPF, through a secure portal.

The timely receipt of contribution payments and data submissions is monitored closely. Late submissions (either in paying cash or in submitting data after the Funds deadline of the 19 of the month following payroll, or where the two elements do not agree) are reported annually to both the Pensions Committee and the Pension Board.

A policy is in place to fine employers where they are late in three of any six months over a rolling period to cover additional administrative costs. However, the Fund and its administrator work closely with employers to ensure that employers understand their responsibilities and the processes required to meet them. During the year to 31 March 2024 there were 12 fines raised to employers (eight in 2022/23). The Fund has not opted to levy interest on overdue contributions.

Pension Overpayments

Occasionally, pensions are paid in error. When this happens, processes are in place to recover the overpayments. The table below shows a summary of the value of the overpayments involved. Every effort is made to recover these, whilst managing the financial impact on the overpaid pensioners.

Overpayments	2023/24 £'000
Annual payroll	100,030
Overpayments value	23
Overpayments written off	23
Overpayments recovered (incl. bf recovered)	16
Amount outstanding as at 31 March 2024	26

The table below shows a summary of number of transactions processed during the year:

Analysis of overpayments	2023/24 Number of payments
Pensions paid during period	296,285
Cases overpaid	52
Cases written off	10
Cases recovered (incl. bf recovered)	49
Cases outstanding as at 31 March 2024	36

Fraud Prevention – National Fraud Initiative

Lincolnshire Pension Fund, West Yorkshire Pension Fund, Hounslow Pension Fund and Barnet Pension Fund are in shared service arrangement hosted by West Yorkshire Pension Fund. The Funds participate twice a year in the National Fraud Initiative (NFI). The data that is submitted includes pensioners, beneficiaries and deferred member information for the Local Government Pension Scheme.

A summary of the last five years of NFI results for the **whole shared service** is shown below:

Pensioners, beneficiaries and deferred members	No. of records sent	No. and percentage of mismatches		Over payments identified	Possible frauds	Mismatches carried forward at 31 March
2023/24	338,572	1,591	0.5%	26	2	17
2022/23	329,082	2,379	0.7%	24	0	10
2021/22	288,636	1,685	0.6%	15	0	22
2020/21	286,429	963	0.3%	4	0	1
2019/20	277,293	3,845	1.4%	17	2	10

Tracing agents are used regularly to try to track down members where the Fund has lost contact, for example due to unnotified address changes.

There are no other cases of note of fraud, credit losses, provisions, contingent liabilities or impairments during the year.

4 Fund Accounts, Net Assets Statement and Notes

Fund Account - For the year ended 31 March 2024

2022/23 £'000		Note	2023/24 £'000
	Contributions and Benefits		
(135,108)	Contributions Receivable	(6)	(151,367)
(10,049)	Transfers In From Other Pension Funds	(7)	(13,006)
(145,157)			(164,373)
105,863	Benefits Payable	(8)	120,762
8,661	Payments To and On Account of Leavers	(9)	6,563
114,524			127,325
(30,633)	Net (additions)/withdrawals from dealings with Fund Members		(37,048)
13,745	Management Expenses	(10)	13,426
(16,888)	Net (additions)/withdrawals including Management Expenses		(23,622)
	Returns on Investments		
(15,170)	Investment Income	(11)	(14,941)
12,511	(Profit)/Loss on Disposal of Investments and Changes in the Value of Investments	(12A)	(295,168)
30,180	(Profit)/Loss on Forward Foreign Exchange	(13)	(7,764)
27,521	Net Returns on Investments		(317,873)
10,633	Net (Increase)/Decrease in the Net Assets Available for Benefits during the year		(341,495)
(3,070,913)	Opening Net Assets of the Fund		(3,060,280)
(3,060,280)	Closing Net Assets of the Fund		(3,401,775)

Net Asset Statement as at 31 March 2024

31 March 2023		Note	31 March 2024
£'000			£'000
1,182	Long Term Investment Assets	(12)	1,182
3,033,643	Investment Assets	(12)	3,379,247
-	Investment Liabilities	(12)	(6,425)
3,034,825	Total Net Investments		3,374,004
28,682	Current Assets	(19)	30,986
(3,227)	Current Liabilities	(20)	(3,215)
3,060,280	Net Assets of the Fund Available to Fund Benefits at the end of the Reporting Period		3,401,775

Note: The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed in Pension Fund Note 18.

Notes to the Pension Fund Financial Statements

Note 1. Description of the Pension Fund

The Lincolnshire Pension Fund (the Fund) is part of the Local Government Pension Scheme and Lincolnshire County Council is the Administering Authority. Benefits are administered by West Yorkshire Pension Fund (WYPF) in a shared service arrangement.

General

The scheme is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended);
- the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended); and
- the LGPS (Management and Investment of Funds) Regulations 2016.

It is a contributory defined benefit pension scheme to provide pensions and other benefits for pensionable employees of Lincolnshire County Council, the district councils in Lincolnshire and a range of other scheduled and admitted bodies within the county. Teachers, police officers and firefighters are not included as they come within other national pension schemes.

The Fund is overseen by the Pensions Committee, which is a committee of Lincolnshire County Council.

Membership

Membership of the LGPS is automatic for eligible employees, but they are free to choose whether to remain in the scheme or make their own personal arrangements outside of the scheme.

Organisations participating in the Fund include:

- Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund; and
- Admitted bodies, which participate in the Fund under the terms of an admission agreement between the Fund and the relevant employer. Admitted bodies include: charitable organisations and similar not-for-profit bodies, or private contractors undertaking a local authority function following outsourcing to the private sector.

There are 262 contributing employer organisations in the Fund including the County Council and just under 80,800 members as detailed below:

	31 March 2023	31 March 2024
Number of employers with active members	256	262
Number of employees in the Fund:		
- Lincolnshire County Council	10,140	9,748
- Other Employers	16,551	16,215
Total	26,691	25,963
Number of Pensioners:		
- Lincolnshire County Council	17,813	18,638
- Other Employers	9,418	10,021
Total	27,231	28,659
Number of Deferred Pensioners:		
- Lincolnshire County Council	16,659	16,492
- Other Employers	8,992	9,678
Total	25,651	26,170
Total number of Members in the Scheme:	79,573	80,792

Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay. Employer contributions are set based on triennial actuarial funding valuations. Rates paid by employers during 2023/24 were determined at the 2022 Valuation, or when a new employer joins the scheme. Rates paid during 2023/24 ranged from 16.3% to 33.4% of pensionable pay. In addition, 53% of employers are paying monetary amounts to cover their funding deficit.

Benefits

From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is up-rated annually in line with the Consumer Price Index.

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service, summarised below:

	Service pre April 2008	Service between April 2008 and March 2014
Pension	Each year is worth $1/80$ x final pensionable salary.	Each year is worth $1/60$ x final pensionable salary.
	Automatic lump sum of $3/80$ x salary.	No automatic lump sum.
Lump Sum	In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

There are a range of other benefits provided under the scheme including early retirement, ill-health pensions and death benefits.

Note 2. Basis of Preparation

The financial statements summarise the Fund's transactions for the 2023/24 financial year and its position at year end as at 31 March 2024.

The financial statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), which is based on International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounting policies set out below (at Pension Fund Note 3) have been applied consistently to all periods presented within these financial statements.

The financial statements report the net assets available to pay pension benefits. They do not take into account obligations to pay pensions and other benefits that fall due after the end of the financial year, nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the net asset statement, in the notes to the account, or by appending an actuarial report prepared for this purpose. The Pension Fund has opted to disclose this information in Pension Fund Note 18.

The financial statements have been prepared on a going concern basis.

Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

On an annual basis, the Code requires the Pension Fund to consider the impact of accounting standards that have been issued but have not yet been adopted and disclose information relating to the impact of these standards. For 2024/25 the Code introduces the following changes to the accounting standards:

- Introduction of IFRS 16 Leases, issued in January 2016;
- Amendments to Classification of Liabilities as Current or Non-current (amendments to IAS 1), issued in January 2020;
- Amendments to Lease Liability in a Sale and Leaseback (amendments to IFRS 16), issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions;
- Amendments to Non-current Liabilities with Covenants (amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants;
- Amendments to International Tax Reform: Pillar Two Model Rules (amendments to IAS 12) issues in May 2023. Pillar two applies to multinational groups with a minimum level of turnover; and
- Amendments to Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements.

It is not thought that any of these changes will have a significant impact on the Pension Fund financial statements for 2024/25.

Note 3. Significant Accounting Policies

Fund account – revenue recognition

a. Contributions income

Normal contributions are accounted for on an accruals basis as follows:

- Employee contribution rates are set in accordance with LGPS regulations using common percentage rates for all Funds which rise according to pensionable pay; and
- Employer contributions are set at the percentage rate recommended by the Fund actuary for the period to which they relate.

Employer deficit funding contributions are accounted for on the basis advised by the Fund actuary in the rates and adjustment certificate issued to the relevant employing body.

Additional employers' contributions, for example, in respect of early retirements, are accounted for in the year the event arose.

Any amount due in year but unpaid will be classed as a current financial asset.

b. Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund. They are calculated in accordance with the LGPS Regulations 2013:

- Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.
- Bulk transfers are accounted for in accordance with the terms of the transfer agreement.

c. Investment Income

i) Interest income

Interest income is recognised in the Fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.

ii) Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

iii) Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

iv) Changes in the net market value of investments

Changes in the net market value of investments are recognised as income/ expense and comprise all realised and unrealised profits/losses during the year. Where the Fund holds accumulation units in pooled funds no dividend or distribution is receivable by the Fund. All dividends and distributions are reinvested in the pooled fund and reflected in the unit price. Changes in the unit price are included in the change in the net market value of investments.

Fund account – expense items

d. Benefits payable

Pensions and lump sum benefits payable are included in the financial statements at the time of payment.

e. Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as part of the overall cost of transactions (e.g. purchase price).

f. Management expenses

The Fund discloses its pension fund management expenses in accordance with the CIPFA guidance: Accounting for Local Government Pension Scheme Management Expenses (2016), using the headings shown below. All items of expenditure are charged to the Fund on an accruals basis.

i) Administrative expenses

All costs associated with pensions administration are charged to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

ii) Oversight and Governance

All costs associated with the governance and oversight are recharged to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

iii) Investment management expenses

Investment management expenses are charged directly to the Fund as part of management expenses and are not included in, or netted off from, the reported return on investments.

Fees on investments where the cost is deducted at source have been included within investment expenses and an adjustment made to the change in market value of investments.

Fees for the external investment managers and custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase and decrease as the value of the investments change.

In addition, the Fund has negotiated with Morgan Stanley Investment Management Ltd (for the Private Markets Portfolio) that an element of their fee will be performance related.

Where an investment manager's fee invoice has not been received by the financial year end, an estimate based upon the market value of their mandate is used for inclusion in the Fund financial statements.

Net assets statement

g. Financial assets

All investment assets are included in the net assets statement on a fair value basis as at the reporting date. A financial asset is recognised in the net asset statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date, any gains or losses arising from changes in the fair value of the asset are recognised by the Fund and are classified as Fair Value through Profit and Loss (FVPL). Any amounts due or payable in respect of trades entered into, but not yet completed at 31 March each year are accounted for as financial instruments held at amortised cost.

The values of investments, as shown in the net assets statement, have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see Pension Fund Note 14). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

Private market, infrastructure, private equity and property venture valuations are based on the most recent valuations provided by managers at the year-end date. Where more up-to-date valuations are received during the financial statement preparation or audit period, their materiality, both individually and collectively will be considered, and the financial statements revised to reflect these valuations if necessary. If valuations are not produced by the manager at 31 March, then the latest available valuation is used, adjusted for purchases and sales which occur between the valuation date and 31 March.

The investment in the LGPS asset pool, Border to Coast Pensions Partnership, is also carried at fair value. This has been classified as Fair Value through Other Comprehensive Income (FVOCI) rather than FVPL as the investment is a strategic investment and not held for trading.

h. Foreign currency transactions

Dividends, distributions, interest, purchases and sales of investments in foreign currencies have been accounted for at the spot rates at the date of the transaction. End of year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period. Any gains or losses arising from these transactions are treated as part of the change in the value of investments in the Fund Account.

i. Derivatives

The Fund uses derivative financial instruments to manage its exposure to certain risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes.

Future value of forward currency contracts are based on market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contract were matched at the year-end with an equal and opposite contract. The contracts are valued using Northern Trust closing spot/forward foreign exchange rates on 31 March.

j. Cash and cash equivalents

Cash comprises: cash in hand, deposits and amounts held by external managers. All cash balances are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to minimum risk of changes in value.

k. Financial liabilities

A financial liability is recognised in the net assets statement on the date the Fund becomes legally responsible for that liability. The Fund recognises financial liabilities relating to investment trading at fair value as at the reporting date, and any gains or losses arising from changes in the fair value of the liability between contract date, the year-end date and the eventual settlement date are recognised in the Fund account as part of the Change in Value of Investments.

Other financial liabilities classed as amortised cost, i.e. the amount carried in the net asset statement is the outstanding principal repayable plus accrued interest.

l. Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is formally assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards. At each year end, the promised retirement benefits have been projected using a roll forward approximation from the latest formal funding valuation. As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (see Pension Fund Note 18).

m. Additional voluntary contributions

The Fund provides an additional voluntary contribution (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. The Fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the financial statements in accordance with Regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed as a note for information (see Pension Fund Note 21).

Note 4. Critical Judgements in Applying Accounting Policies

In applying the accounting policies, the Fund is required to make judgements about complex transactions and the value of assets and liabilities where there is an element of uncertainty. Those with the most significant effect include:

- No investments are impaired (further detail on how the fund manages risk are set out in Pension Fund Note 16: Nature and Extent of Risks Arising from Financial Instruments).

Any judgements made in relation to specific assets and liabilities, in addition to information stated in the relevant notes, can also be found in Pension Fund Note 3: Significant Accounting Policies.

Note 5. Assumptions Made About the Future and Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for the revenues and expenses during the year. Estimates and assumptions are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that the actual outcomes could differ from the assumptions and estimates.

The items in the financial statements for the year ended 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are set out in the table on the next page:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Pension Fund Note 18)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to: the discount rate used; salary and pension increases; changes in retirement ages; mortality rates; and expected returns on Fund assets. Details about the actuarial method and assumptions selected by the Fund's actuary, Barnett Waddingham, are set out in Pension Fund Note 18.	<p>At 31 March 2024 the present value of the total obligation was estimated by the actuary to be £2,929.4m. The effects of changes in the individual assumptions can be measured. For example:</p> <p>1) a 0.5% increase in the discount rate assumption would reduce future pension liabilities by c. £224.3m.</p> <p>2) a 0.25% increase in earnings inflation would increase the value of future liabilities by c. £8.7m.</p> <p>3) a 0.25% increase in the pension increase rate would increase the value of future liabilities by c. £117.1m.</p> <p>4) a one-year increase in assumed life expectancy would increase the future liability by c. £118.6m.</p>
Hedge Funds (Pension Fund Note 14)	Some hedge fund investments are not regularly traded and as such there is a degree of estimation involved in the valuation.	A fund manager estimates that the sensitivity of valuation of these assets, included at level three in the fair value hierarchy, is +/-8%. This equates to a +/-£17.4m on a carrying value of £217.6m.
Market Value of unquoted level three investments (including: private markets, infrastructure, other property and private equity) (Pension Fund Note 14)	Private markets, infrastructure, other property and private equity are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (2018) and the Special Guidance issued in March 2020 concerning the impact of Covid-19 on valuations. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	<p>Level three investments at 31 March 2024 are valued at £480.5m in the financial statements. There is a risk that these investments may be under or overstated in the financial statements.</p> <p>Private markets by +/-15% or £52.7m on a carrying value of £351.3m.</p> <p>Infrastructure by +/-14% or £9.4m on a carrying value of £67.0m.</p> <p>Property Venture by +/-15% or £8.8m on a carrying value of £58.4m.</p> <p>Private Equity by +/-23% or £0.9m on a carrying value of £3.9m.</p>

Note 6. Contributions Receivable

Contributions receivable are analysed by category below:

	2022/23 £'000	2023/24 £'000
Employers		
Normal Contributions	77,979	115,362
Deficit Recovery Contributions	29,532	5,196
Additional – Augmentation Contributions	823	1,126
Members		
Normal Contributions	26,661	29,552
Additional years Contributions	113	131
Total	135,108	151,367

These contributions are analysed by type of Member Body as follows:

	2022/23 £'000	2023/24 £'000
Lincolnshire County Council – Administering Authority	57,232	58,630
Scheduled Bodies	75,111	89,059
Admitted Bodies	2,765	3,678
Total	135,108	151,367

Note 7. Transfers In From Other Pension Funds

	2022/23 £'000	2023/24 £'000
Individual transfers from other schemes	10,049	13,006
Total	10,049	13,006

There were no material outstanding transfers due to the Pension Fund as at 31 March 2024.

Note 8. Benefits Payable

Benefits payable are analysed by category below:

	2022/23	2023/24
	£'000	£'000
Pensions	87,322	97,825
Commutations & Lump Sum Retirement Benefits	15,688	20,098
Lump Sum Death Benefits	2,853	2,839
Total	105,863	120,762

These benefits are analysed by type of Member Body as follows:

	2022/23	2023/24
	£'000	£'000
Lincolnshire County Council – Administering Authority	55,296	61,961
Scheduled Bodies	45,767	53,417
Admitted Bodies	4,800	5,384
Total	105,863	120,762

Note 9. Payments To and On Account of Leavers

	2022/23	2023/24
	£'000	£'000
Individual transfers to other schemes	8,347	6,149
Refunds to members leaving service	315	414
Total	8,662	6,563

There were no material outstanding transfers due from the Pension Fund as at 31 March 2024.

Note 10. Management Expenses

	2022/23	2023/24
	£'000	£'000
Administration Costs	1,386	1,513
Investment Management Expenses	11,445	10,966
Oversight and Governance Costs	914	947
Total	13,745	13,426

The statutory audit fee for the year was £0.083m (£0.023m in 2022/23, plus known fee variations of £0.008m).

A further breakdown of the investment management expenses is shown below:

2023/24	Total £'000	Management Fees £'000	Performance Related Fees £'000	Transaction Costs £'000
Managed by Border to Coast	4,737	3,884	-	853
Unitised Insurance Policies	711	711	-	-
Unit Trusts	913	714	19	180
Other Managed Funds	4,339	3,912	215	212
Cash	-	-	-	-
	10,700	9,221	234	1,245
Custody Fees	266			
Total	10,966			

2022/23	Total £'000	Management Fees £'000	Performance Related Fees £'000	Transaction Costs £'000
Managed by Border to Coast	4,126	3,879	-	247
Unitised Insurance Policies	706	706	-	-
Unit Trusts	1,233	882	20	331
Other Managed Funds	5,103	2,924	1,869	310
Cash	-	-	-	1
	11,169	8,391	1,889	889
Custody Fees	276			
Total	11,445			

Note 11. Investment Income

	2022/23 £'000	2023/24 £'000
Equities	179	28
Unit Trusts:		
- Property	2,455	1,501
Other Managed Funds:		
- Property	703	1,414
- Infrastructure	4,199	3,325
- Private Markets	5,293	3,898
Interest on Cash Deposits	2,341	4,775
Total	15,170	14,941

Note 12. Investments

	31 March 2023	31 March 2024
	£'000	£'000
Long Term Investments		
Unquoted Equity Holding in Border to Coast Pensions Partnership	1,182	1,182
Total Long Term Investments	1,182	1,182
Investment Assets		
Pooled Investment Vehicles		
Managed by Border to Coast:		
- Bonds	219,309	411,138
- Equities – Global	763,782	539,398
- Equities – Overseas Developed Markets	-	348,423
- Equities – UK	462,066	277,892
- Multi Asset Credit	146,217	325,269
Unitised Insurance Policies:		
- Bonds	124,858	-
- Equities – Global	463,892	517,508
Unit Trusts:		
- Property	140,502	130,518
Other Managed Funds:		
- Infrastructure	68,498	66,927
- Private Equity	6,123	3,897
- Private Markets	466,582	568,915
- Property	86,653	98,528
Total Pooled Investment Vehicles	2,948,482	3,288,413
Other Investment Assets		
Derivatives:		
- Open Forward Foreign Exchange (FX)	7,545	-
Cash Deposits	75,666	88,882
Investment Income Due	1,950	1,952
Total Other Investment Assets	85,161	90,834
Total Investment Assets	3,033,643	3,379,247
Investment Liabilities		
Derivatives:		
- Open Forward Foreign Exchange (FX)	-	(6,425)
Total Investment Liabilities	-	(6,425)
Total Net Investment Assets	3,034,825	3,374,004

12A Reconciliation of Movements in Investments

2023/24	Market Value at 31 March 2023 £'000	Purchases and Derivative Payments £'000	Sales and Derivative Receipts £'000	Change in Value during the Year £'000	Market Value at 31 March 2024 £'000
Long Term Investments					
Unquoted Equity Holding in Border to Coast Pensions Partnership	1,182	-	-	-	1,182
Total Long Term Investment	1,182	-	-	-	1,182
Investment Assets					
Pooled Investment Vehicles					
- Managed by Border to Coast	1,591,374	635,000	(538,846)	214,592	1,902,120
- Unitised Insurance Policies	588,750	2,580	(142,356)	68,534	517,508
- Unit Trusts	140,502	289	(10,383)	110	130,518
- Other Managed Funds	627,856	156,526	(58,047)	11,932	738,267
Total Pooled Investment Vehicles	2,948,482	794,395	(749,632)	295,168	3,288,413
Other Investments					
Derivatives:					
- Open Forward Foreign Exchange (FX)	7,545	4,160,937	(4,182,671)	7,764	(6,425)
Total Other Investments	7,545	4,160,937	(4,182,671)	7,764	(6,425)
Other Investment Balances					
- Cash Deposits	75,666				88,882
- Investment Income Due	1,950				1,952
Total Other Investments	77,616	-	-	-	90,834
Total Net Investment Assets	3,034,825	4,955,332	(4,932,303)	302,932	3,374,004

2022/23	Market Value at 31 March 2022 £'000	Purchases and Derivative Payments £'000	Sales and Derivative Receipts £'000	Change in Value during the Year £'000	Market Value at 31 March 2023 £'000
Long Term Investments					
Unquoted Equity Holding in Border to Coast Pensions Partnership	1,182	-	-	-	1,182
Total Long Term Investment	1,182	-	-	-	1,182
Investment Assets					
Pooled Investment Vehicles					
- Managed by Border to Coast	1,564,205	47,500	(51,055)	30,724	1,591,374
- Unitised Insurance Policies	614,328	29,151	(29,845)	(24,884)	588,750
- Unit Trusts	193,810	1,156	(20,668)	(33,796)	140,502
- Other Managed Funds	559,294	246,982	(193,865)	15,445	627,856
Total Pooled Investment Vehicles	2,931,637	324,789	(295,433)	(12,511)	2,948,482
Other Investments					
Derivatives:					
- Open Forward Foreign Exchange (FX)	2,758	4,061,063	(4,026,096)	(30,180)	7,545
Total Other Investments	2,758	4,061,063	(4,026,096)	(30,180)	7,545
Other Investment Balances					
- Cash Deposits	115,609				75,666
- Amount Receivable for Sales	1,003				-
- Investment Income Due	2,010				1,950
Total Other Investments	118,622	-	-	-	77,616
Total Net Investment Assets	3,054,199	4,385,852	(4,321,529)	(42,691)	3,034,825

12B Investments Analysed by Fund Manager

Fund Manager	31 March 2023		31 March 2024	
	£'000	%	£'000	%
Investments managed by Border to Coast:				
- Global Equity Alpha	763,782	25.2	539,398	16.0
- Sterling Investment Grade Credit	219,309	7.2	411,138	12.2
- Overseas Developed Market Equity	-	-	348,423	10.3
- Multi-Asset Credit	146,217	4.8	325,269	9.6
- Listed UK Equity	462,066	15.2	277,892	8.2
Unitised Insurance Policies:				
- Legal and General (Future World Fund)	463,892	15.3	517,508	15.3
- Blackrock (Bond Portfolio)	124,858	4.1	-	-
Investments managed outside of the asset pool:				
- Morgan Stanley (Private Markets)	477,535	15.7	575,246	17.2
- Morgan Stanley (Legacy Private Equity)	6,891	0.2	4,399	0.1
- Internally Managed (Property Unit Trusts)	140,579	4.7	130,518	3.9
- Internally Managed (Infrastructure)	68,852	2.3	67,231	2.0
- Internally Managed (Property)	86,656	2.9	98,528	2.9
- Internally Managed (Cash managed by LCC Treasury Management Team)	58,000	1.9	65,000	1.9
- Unallocated Cash	15,006	0.5	12,272	0.4
Total	3,033,643	100.0	3,372,822	100.0

12C Fund Assets exceeding 5%

The following table sets out where there is a concentration of investments which exceeds 5% of the total value of the net assets of the scheme (excluding holdings in UK Government Securities).

Fund Manager	31 March 2023		31 March 2024	
	£'000	%	£'000	%
Morgan Stanley (Private Markets)	466,582	15.2	568,915	16.7
Border to Coast (Global Equity Alpha)	763,782	25.0	539,398	15.9
Legal and General (Future World Fund)	463,892	15.2	517,508	15.2
Border to Coast (Sterling Investment Grade Credit)	219,309	7.2	411,138	12.1
Border to Coast (Overseas Developed Market Equity)	-	-	348,423	10.2
Border to Coast (Multi-Asset Credit)	146,217	4.8	325,269	9.6
Border to Coast (Listed UK Equity)	462,066	15.1	277,892	8.2

Note 13. Analysis of Derivatives

The holding in derivatives is used to hedge exposures to reduce risk in the Fund. The use of any derivatives is managed in line with the investment management agreements in place between the Fund and the various investment managers.

The only direct derivative exposure that the Fund has is in forward foreign currency contracts. The Fund's private markets investment manager uses forward foreign exchange contracts to reduce exposure to fluctuations in foreign currency exchange rates.

Open Forward Currency Contracts

Settlement	Currency Bought	Local Value '000	Currency Sold	Local Value '000	Asset Value £'000	Liability Value £'000
Up to one month	None					
Over one month	GBP	1,872	AUD	3,618	-	
	GBP	14,140	CAD	24,380		(132)
	GBP	13,720	EUR	16,011		(6)
	GBP	515,890	USD	659,924		(6,287)
Total					-	(6,425)
Net Forward Currency Contracts at 31 March 2024						(6,425)
Prior year comparative						
Open forward currency contracts at 31 March 2023					7,606	(61)
Net Forward Currency Contracts at 31 March 2023						7,545

Profit (Loss) of Forward Currency Deals and Currency Exchange

The profit or loss from any forward deals and from currency exchange is a result of normal trading of the Fund's managers who manage multi-currency portfolios. For 2023/24 this was a profit of £7.764m (£30.180m loss in 2022/23).

Note 14. Fair Value – Basis of Valuation

All investments assets are valued using fair value techniques based on the characteristics of each instrument, where possible using market-based information. There has been no change in the valuation techniques used during the year.

Asset and liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level One – where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities, comprising quoted equities, quoted bonds and unit trusts.

Level Two – where quoted market prices are not available, or where valuation techniques are used to determine fair value based on observable data.

Level Three – where at least one input that could have significant effect on the instrument's valuation is not based on observable market data.

The basis of the valuation of each class of investment asset is set out below:

Description of Asset	Basis of Valuation	Observable and Unobservable Inputs	Key Sensitivities Affecting the Valuations Provided
Level One			
Quoted equities and pooled fund investments	The published bid market price on the final day of the accounting period.	Not Required.	Not Required.
Quoted fixed income bonds and unit trusts	Quoted market value based on current yields	Not Required.	Not Required.
Cash and cash equivalents	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments.	Not Required.	Not Required.
Level Two			
Unquoted equity investments, fixed income bonds, unit trusts and pooled fund investments	Average of broker prices	Evaluated price feeds.	Not Required.
Forward foreign exchange derivatives	Market forward exchange rates at the year-end.	Exchange rate risk.	Not Required.
Pooled property funds where regular trading takes place	Closing bid price where bid and offer prices are published. Closing single price where single price published.	NAV-based pricing set on a forward pricing basis.	Not Required.

Description of Asset	Basis of Valuation	Observable and Unobservable Inputs	Key Sensitivities Affecting the Valuations Provided
Level Three			
Pooled fund investments and hedge funds where regular trading does not take place	Valued by investment managers on a fair value basis each year using PRAG guidance.	NAV-based pricing set on a forward pricing basis.	Valuations are affected by any changes to the value of the financial instrument being hedged against.
Other unquoted and private equities (inc. private markets, infrastructure and private equity)	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines 2018 and the IPEV Board's Special Valuation Guidance (March 2020).	EBITDA multiple; Revenue multiple; Discount for lack of marketability; and Control premium.	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts.
Shares in Border to Coast Pensions Partnership	Shareholdings in Border to Coast have been valued at cost i.e. transaction price as an appropriate estimate of fair value.	No market for shares held in Border to Coast. Disposal of shares is not a matter in which any shareholder can make a unilateral decision. Partnership is structured so as not to make a profit.	Valuation could be affected by future funding models, post-balance sheet events, or changes to current operating procedures.

Sensitivity of assets valued at level 3

The Fund has determined that the valuation methods described above for level three investments are likely to be accurate within the following ranges, and has set out in the table below the consequent potential impact on the closing value of investments held at 31 March 2024.

	Potential variation in fair value (+/-)	Value as at 31 March 2024 £'000	Potential value on increase £'000	Potential value on decrease £'000
Infrastructure	14%	66,927	76,297	57,557
Private Equity	23%	3,897	4,793	3,001
Private Markets:				
- Hedge Funds	8%	217,649	235,061	200,237
- Unquoted Holdings	15%	351,266	403,956	298,576
Property Venture	15%	58,397	67,157	49,637

14A Fair Value Hierarchy

The following table provides an analysis of the financial assets and liabilities of the Pension Fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

Values at 31 March 2024 – Observable Fair Value	Quoted Market Price Level 1	Using Observable Inputs Level 2	With Significant Unobservable Level 3	Total
	£'000	£'000	£'000	£'000
Financial assets at fair value through profit and loss:				
<u>Pooled Investment Vehicles:</u>				
Managed by Border to Coast		1,902,120		1,902,120
Unitised Insurance Policies		517,508		517,508
Unit Trusts		130,518		130,518
Other Managed Funds		40,131	698,136	738,267
Derivatives: Forward Foreign Exchange		-		-
Cash	13,208			13,208
	13,208	2,590,277	698,136	3,301,621
Financial liabilities at fair value through profit and loss:				
Derivatives: Forward Foreign Exchange		(6,425)		(6,425)
		(6,425)		(6,425)
Financial assets at fair value through other comprehensive income and expenditure:				
Unquoted Equity Holding in Border to Coast Pensions Partnership			1,182	1,182
			1,182	1,182
Net Investment Assets	13,208	2,583,852	699,318	3,296,378

Values at 31 March 2023 – Observable Fair Value	Quoted Market Price Level 1	Using Observable Inputs Level 2	With Significant Unobservable Level 3	Total
	Restated £'000	Restated £'000	£'000	£'000
Financial assets at fair value through profit and loss:				
<u>Pooled Investment Vehicles:</u>				
Managed by Border to Coast		1,591,374		1,591,374
Unitised Insurance Policies*	124,858	463,892		588,750
Unit Trusts		140,502		140,502
Other Managed Funds	11,332	45,466	571,058	627,856
Derivatives: Forward Foreign Exchange		7,545		7,545
Cash	4,390			4,390
	140,580	2,248,779	571,058	2,960,417
Financial liabilities at fair value through profit and loss:				
Derivatives: Forward Foreign Exchange			-	-
	-	-	-	-
Financial assets at fair value through other comprehensive income and expenditure:				
Unquoted Equity Holding in Border to Coast Pensions Partnership			1,182	1,182
	-	-	1,182	1,182
Net Investment Assets	140,580	2,248,779	572,240	2,961,599

* In the prior year the Fund's investment in Legal and General Fund World Equity Fund (£463.892m) was incorrectly classified as level 1 within the fair value hierarchy above. This investment should have been classified as level 2. This error has been corrected in the above table as a prior period adjustment. There are no other impacts on any other statements or disclosures within the pension fund financial statements.

14B Reconciliation of Fair Value Measurements within Level 3

2023/24	Market value at 31 March 2023	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Unrealised gains/(losses) *	Realised gains/(losses) *	Market value at 31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Infrastructure	68,498	1,839	(1,623)	(1,798)	11	66,927
Private Equity	6,123	223	(2,620)	(868)	1,039	3,897
Private Markets	455,250	135,084	(40,634)	11,087	8,128	568,915
Property Venture	41,187	19,379	(755)	(1,414)	-	58,397
Unquoted Equity Holding in Border to Coast Pensions Partnership	1,182	-	-	-	-	1,182
Total	572,240	156,525	(45,632)	7,007	9,178	699,318

2022/23	Market value at 31 March 2022	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Unrealised gains/(losses) *	Realised gains/(losses) *	Market value at 31 March 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Infrastructure	61,136	5,359	(3,241)	4,452	792	68,498
Private Equity	7,593	-	(1,621)	(1,152)	1,303	6,123
Alternatives	368,397	114,982	(45,911)	8,129	9,653	455,250
Property Venture	11,367	31,622	(493)	(576)	(733)	41,187
Unquoted Equity Holding in Border to Coast Pensions Partnership	1,182	-	-	-	-	1,182
Total	449,675	151,963	(51,266)	10,853	11,015	572,240

* Unrealised and realised gains and losses are recognised in the profit and losses on disposal and change in market values line of the Fund account.

Note 15. Financial Instruments

15A Classification of Financial Instruments

The following table analyses the carrying amounts of financial instruments by category and net assets statement heading. No financial assets were reclassified during the accounting period.

	31 March 2024			
	Fair value through profit & loss	Assets at amortised cost	Liabilities at amortised cost	Fair value through comprehensive income
	£'000	£'000	£'000	£'000
Financial Assets				
Unquoted Equity Holding in Border to Coast Pensions Partnership				1,182
Pooled Investment Vehicles:				
- Managed by Border to Coast	1,902,120			
- Unitised Insurance Policies	517,508			
- Unit Trusts	130,518			
- Other Managed Funds	738,267			
Derivatives: Forward Foreign Exchange	-			
Cash	13,208	91,569		
Other Investment Balances		1,952		
Sundry Debtors		3,914		
	3,301,621	97,435	-	1,182
Financial Liabilities				
Derivatives: Forward Foreign Exchange	(6,425)			
Other Investment Balances				-
Sundry Creditors			(1,489)	
	(6,425)	-	(1,489)	-
	3,295,196	97,435	(1,489)	1,182

	31 March 2023			
	Fair value through profit & loss	Assets at amortised cost	Liabilities at amortised cost	Fair value through comprehensive income
	£'000	£'000	£'000	£'000
Financial Assets				
Unquoted Equity Holding in Border to Coast Pensions Partnership				1,182
Pooled Investment Vehicles:				
- Managed by Border to Coast	1,591,374			
- Unitised Insurance Policies	588,750			
- Unit Trusts	140,502			
- Other Managed Funds	627,856			
Derivatives: Forward Foreign Exchange	7,545			
Cash	4,390	95,199		
Other Investment Balances		1,950		
Sundry Debtors		26		
	2,960,417	97,175	-	1,182
Financial Liabilities				
Derivatives: Forward Foreign Exchange	-			
Other Investment Balances			-	
Sundry Creditors			(2,459)	
	-	-	(2,459)	-
	2,960,417	97,175	(2,459)	1,182

15B Net Gains and Losses on Financial Instruments

All realised gains and losses arise from the sale or disposal of financial assets that have been derecognised in the financial statements. The fund has not entered into any financial guarantees that are required to be accounted for as financial instruments.

	2022/23	2023/24
	£000	£000
Financial Assets		
Fair Value through Profit and Loss	(12,511)	295,168
	(12,511)	295,168

Note 16. Nature and Extent of Risks Arising from Financial Instruments

Risk and Risk Management

The Fund's primary long-term risk is that its assets will fall short of its liabilities (i.e. the promised benefits payable to members). The aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Fund manages these investment risks as part of its overall Pension Fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pensions Committee. Risk management policies have been established to identify and analyse the risks faced by the pension fund's operations. These are reviewed regularly to reflect changes in activity and market conditions.

a) Market Risk

Market risk is the loss from fluctuations in equity and commodity prices, interest and foreign exchange rates, and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future prices and yield movements and the asset mix. The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, while optimising investment return.

To mitigate market risk, the Fund invests in a diversified pool of assets to ensure a reasonable balance between different categories, having taken advice from the Fund's Investment Consultant. The management of the assets is split between a number of managers and investment vehicles with different performance targets and investment strategies. Risks associated with the strategy and investment returns are included as part of the quarterly reporting to the Pensions Committee where they are monitored and reviewed.

Other Price Risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instrument.

The Fund’s investment managers mitigate this price risk through diversification, and the selection of securities and other financial instruments is monitored by the Council to ensure it is within limits specified in the Fund investment strategy.

Other Price Risk - Sensitivity Analysis

Following analysis of historical data and expected investment return during the financial year, the Fund, in consultation with a fund manager, has determined that the following movements in market price are reasonably possible for 2024/25; assuming that all other variables, in particular foreign exchange rates and interest rates, remain the same (prior year comparatives are shown below):

Asset Type	Value at 31 March 2024	Potential market movements (+/-)	Value on Increase	Value on Decrease
	£'000		£'000	£'000
UK Equities	277,892	16%	322,355	233,429
Global Equities	1,056,906	16%	1,226,011	887,801
Overseas Equities	348,423	16%	404,171	292,675
Bonds	411,138	6%	435,806	386,470
Multi Asset Credit	325,269	7%	348,038	302,500
UK Property	188,915	15%	217,252	160,578
Overseas Property	40,131	15%	46,151	34,111
Infrastructure	66,927	14%	76,297	57,557
Private Equity	235,257	23%	289,366	181,148
Private Debt	50,274	12%	56,307	44,241
Private Real Assets	69,077	15%	79,439	58,715
Other Alternatives	555	15%	638	472
Hedge Funds	217,649	8%	235,061	200,237
Total Assets Available	3,288,413		3,736,892	2,839,934

Asset Type	Value at 31 March 2023	Potential market movements (+/-)	Value on Increase	Value on Decrease
	£'000		£'000	£'000
UK Equities	462,066	16%	535,997	388,135
Global Equities	1,227,674	16%	1,424,102	1,031,246
Bonds	344,167	7%	368,259	320,075
Multi Asset Credit	146,217	7%	156,452	135,982
UK Property	181,462	18%	214,125	148,799
Overseas Property	45,693	18%	53,918	37,468
Infrastructure	68,498	15%	78,773	58,223
Private Equity	232,951	23%	286,530	179,372
Private Debt	57,058	13%	64,476	49,640
Private Real Assets	49,694	16%	57,645	41,743
Other Alternatives	12,285	15%	14,128	10,442
Hedge Funds	120,717	8%	130,374	111,060
Total Assets Available	2,948,482		3,384,779	2,512,185

Interest rate risk

The Fund recognises that interest rates can vary and can affect both income to the Fund and carrying value of fund assets, both of which affect the value of the net assets available to pay benefits. A Fund Manager, and experience, suggests that a movement of +/- 150 basis points (+/- 1.5%) in interest rates from one year to the next is likely (+/-100 basis points in 2022/23).

Interest rate risk – sensitivity analysis

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 1.5% change in interest rates. This analysis demonstrates that a 1.5% increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash and cash equivalent balances but they will affect the interest income received on those balances.

Assets Exposed to Interest Rate Risk:

Exposure to interest rate risk	Value at 31 March 2024	Percentage movement on 1.5% change in Interest Rates	Impact of 1% increase	Impact of 1% decrease
	£'000	£'000	£'000	£'000
Cash and Cash Equivalents	88,882	-	88,882	88,882
Cash Balances	15,895	-	15,895	15,895
Bonds	411,138	6,167	417,305	404,971
Total	515,915	6,167	522,082	509,748

Exposure to interest rate risk	Value at 31 March 2023	Percentage movement on 1.0% change in Interest Rates	Impact of 1% increase	Impact of 1% decrease
	£'000	£'000	£'000	£'000
Cash and Cash Equivalents	75,666	-	75,666	75,666
Cash Balances	23,923	-	23,923	23,923
Bonds	344,167	3,442	347,609	340,725
Total	443,756	3,442	447,198	440,314

Income Exposed to Interest Rate Risk	Interest Receivable 2023/24	Percentage movement on 1.5% change in Interest Rates	Value on 1% increase	Value on 1% decrease
	£'000	£'000	£'000	£'000
Cash Deposits, Cash and Cash Equivalents	4,775	72	4,847	4,703
Bonds	-	-	-	-
Total	4,775	72	4,847	4,703

Income Exposed to Interest Rate Risk	Interest Receivable 2022/23	Percentage movement on 1.0% change in Interest Rates	Value on 1% increase	Value on 1% decrease
	£'000	£'000	£'000	£'000
Cash Deposits, Cash and Cash Equivalents	2,341	23	2,364	2,319
Bonds	-	-	-	-
Total	2,341	23	2,364	2,319

Currency risk

Currency risk represents the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on any cash balances and investment assets not denominated in UK sterling. Following analysis of historical data and in consultation with an investment manager, the Fund considers the likely volatility associated with foreign exchange rate movements to be not more than 8%, as measured by one standard deviation (7% in 2022/23). An 8% strengthening/weakening of the pound against various currencies in which the Fund holds investments would increase/decrease the net asset available to pay benefits as follows:

Currency risk – sensitivity analysis

Asset Exposed to Currency Risk	Value at 31 March 2024 £'000	Percentage Market Movement £'000	Value on Increase £'000	Value on Decrease £'000
Overseas Hedge Funds	217,649	17,412	235,061	200,237
Overseas Infrastructure	15,540	1,243	16,783	14,297
Overseas Other Alternatives	555	44	599	511
Overseas Private Debt	49,408	3,953	53,361	45,455
Overseas Private Equity	235,256	18,820	254,076	216,436
Overseas Property	40,131	3,210	43,341	36,921
Overseas Real Private Assets	68,509	5,481	73,990	63,028
Total	627,048	50,163	677,211	576,885

Asset Exposed to Currency Risk	Value at 31 March 2023 £'000	Percentage Market Movement £'000	Value on Increase £'000	Value on Decrease £'000
Overseas Hedge Funds	120,716	8,450	129,166	112,266
Overseas Infrastructure	15,245	1,067	16,312	14,178
Overseas Other Alternatives	12,285	860	13,145	11,425
Overseas Private Debt	55,949	3,916	59,865	52,033
Overseas Private Equity	232,951	16,307	249,258	216,644
Overseas Property	45,693	3,199	48,892	42,494
Overseas Real Private Assets	49,359	3,455	52,814	45,904
Total	532,198	37,254	569,452	494,944

b) Credit Risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. Assets potentially affected by this are investment assets and cash deposits. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities. The Fund is

additionally exposed to credit risk through its daily treasury activities. Credit risk may also occur if an employing body, not supported by central government, does not pay its contributions promptly, or defaults on its obligations.

The Pension Fund's bank account is held at Barclays, which holds an 'A+' long term credit rating (Fitch Credit Rating Agency) and it maintains its status as a well-capitalised and strong financial organisation. The management of the cash held in this account is carried out by the Council's Treasury Manager, in accordance with an agreement signed by the Pensions Committee and the Council. The agreement stipulates that the cash is pooled with the Council's cash and managed in line with the policies and practices followed by the Council, as outlined in the CIPFA Code of Practice for Treasury Management in the Public Services and detailed in its Treasury Management Practices. At 31 March 2024 the balance at Barclays was £79.895m (£80.423m at 31 March 2023).

The Pension Fund closely monitors employer contributions each month. All contributions from employers, except one, due to the Fund for March 2024 were received by early May 2024 (the Fund is outstanding contributions from one employer, where the admission agreement is still to be finalised). The Fund's current policy for all new employers into the scheme is to obtain a guarantee that will ensure all pension obligations are covered in the event of that employer facing financial difficulties.

c) Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund takes steps to ensure that it has adequate cash resources to meet its commitments.

The Fund holds a working cash balance in its own bank account to cover the payment of benefits and other lump sum payments. At an investment level, the Fund holds a large proportion of assets in instruments that can be liquidated at short notice (pooled equities and bonds), normally within a week. As at 31 March 2024, these assets totalled £2,094.359m (£2,033.907m as at 31 March 2023), with a further £104.777m held in cash (£99.589m as at 31 March 2023).

Currently, the Fund is cash flow positive each month (i.e. contributions received exceed pensions paid). This position is monitored regularly and reviewed at least every three years alongside the Triennial Valuation.

Note 17. Funding Arrangements

In line with the Local Government Pension Scheme Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022 and the next valuation is due to take place as at 31 March 2025.

Description of Funding Policy

Details of the funding policy are set out in the Funding Strategy Statement (FSS), in summary, the key points are to:

- Ensure that pension benefits can be met as and when they fall due over the lifetime of the Fund;
- Ensure the solvency of the Fund;
- Set levels of employer contribution rates to target a 100% funding level over an appropriate time period and using appropriate actuarial assumptions, while taking into account the different characteristics of participating employers;
- Build up the required assets in such a way that employer contribution rates are kept as stable as possible, with consideration of the long-term cost efficiency objective; and
- Adopt appropriate measures and approaches to reduce the risk, as far as possible, to the Fund, other employers and ultimately the taxpayer from an employer defaulting on its pension obligations.

Further details are contained in the FSS.

Actuary's Statement

The last full triennial valuation of the Lincolnshire Pension Fund (the Fund) was carried out as at 31 March 2022 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations) and in accordance with the Funding Strategy Statement of the Fund. The results were published in the triennial valuation report dated 30 March 2023.

Asset value and funding level

The results for the Fund at 31 March 2022 were as follows:

- The market value of the Fund's assets as at 31 March 2022 was £3,071m.
- The Fund had a funding level of 101% i.e. the value of assets for valuation purposes was 101% of the value that they would have needed to be to pay for the benefits accrued to that date, based on the assumptions used. This corresponded to a surplus of £18m.

Contribution Rates

The employer contributions rates, in addition to those paid by the members of the Fund, are set to be sufficient to meet:

- the annual accrual of benefits allowing for future pay increases and increases to pensions in payment when these fall due;
- plus an amount to reflect each participating employer's notional share of the Fund's assets compared with 100% of their liabilities in the Fund, in respect of service to the valuation date.

The primary rate of contribution on a whole Fund level was 24.1% of payroll p.a. The primary rate as defined by Regulation 62(5) is the employer's share of the cost of benefits accruing in each of the three years beginning 1 April 2023.

In addition, each employer pays a secondary contribution as required under Regulation 62(7) that when combined with the primary rate results in the minimum total contributions. This secondary rate is based on their particular circumstances and so individual adjustments are made for each employer.

Details of each employer's contribution rate are contained in the Rates and Adjustments Certificate in Appendix 5 of the triennial valuation report.

Assumptions

The key assumptions used to value the liabilities at 31 March 2022 are summarised below:

Financial Assumptions	Assumptions used for the 2022 valuation
Market date	31 March 2022
CPI inflation	2.9% p.a.
Long-term salary increases	3.9% p.a.
Discount rate	4.0% p.a.
Demographic Assumptions	Assumptions used for the 2022 valuation
Post-retirement mortality:	
<i>Base tables</i>	S3PA tables
<i>Projection model</i>	CMI 2021
<i>Long-term rate of improvement</i>	1.25% p.a.
<i>Smoothing parameter</i>	7.0
<i>Initial addition to improvements</i>	0.0% p.a.
<i>2022/21 weighting parameter</i>	5%

Full details of the demographic and other assumptions adopted as well as details of the derivation of the financial assumptions used can be found in the 2022 valuation report.

Updated position since the 2022 valuation

Assets

Investment returns on the Scheme's assets over the year to 31 March 2024 have been strong, estimated at 10% p.a. The Fund also has a positive cash flow, and so the market value of assets as at 31 March 2024 has increased since the formal valuation.

Liabilities

In July 2023, the actuary implemented a change to the funding basis as a result of recent increases in interest rates on the Fund's ongoing funding basis.

Since the last valuation date of 31 March 2022, there have been significant changes in the market conditions underlying the financial assumptions. In particular, there has been a significant increase in interest rates which affects the expected return of absolute return funds which formed 19% of the Fund's strategic asset allocation. Accordingly, the actuary believes that the target returns on such asset classes were becoming more difficult for investment managers to achieve.

As a result, the funding approach has been adjusted to assume that the long-term expected return for the absolute return funds is set approximately to two-thirds to equities and a third to gilts. This has led to an increase in liabilities over the period to 31 March 2024.

Further, inflation over the two years 31 March 2024 has been higher than the long-term average assumed at the 2022 valuation. This has also caused an increase in the liabilities as at 31 March 2024. However, this was anticipated when setting assumptions for the 2022 valuation and as expected long-term CPI inflation has fallen since March 2022 reducing the liabilities such that the actual CPI increases applied to members' benefits have been largely offset.

Overall position

Although the Fund's assets have performed well over the period and have broadly kept pace with the discount rate since March 2022, the increase in liabilities has resulted in a reduction to the funding position as at 31 March 2024, compared to the previous valuation.

The Fund continues to monitor the funding level using LGPS Monitor on a regular basis.

Barry McKay FFA

Partner, Barnett Waddingham LLP

Note 18. Actuarial Present Value of Promised Retirement Benefits

In addition to the triennial funding valuation, the Fund's actuary, also undertakes a valuation of the pension fund liabilities adopting methods and assumptions that are consistent with IAS19 on an annual basis.

Introduction

Pension expense calculations have been undertaken in respect of pension benefits provided by the Local Government Pension Scheme (the LGPS) to members of the Lincolnshire Pension Fund as at 31 March 2024. The calculations take into account current LGPS Regulations, as amended, as at the date of this report.

The LGPS is a defined benefit statutory scheme administered in accordance with the regulations and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations as amended and summarised on the LGPS website here and the Fund's membership booklet.

This report is prepared in accordance with the actuary's understanding of IAS26 and complies with Technical Actuarial Standard 100: General Actuarial Standards (TAS 100) as issued by the Financial Reporting Council (FRC). In calculating the disclosed numbers, they have adopted methods and assumptions that are consistent with IAS19.

This report should be read in conjunction with the post accounting date briefing note for disclosures as at 31 March 2024. A copy of this can be requested from the Fund.

Valuation Data

Data Used

The following items of data have been used in the calculations:

- 31 March 2022 - results of the latest funding valuation;
- 31 March 2023 - results of the previous IAS26 report;
- 31 March 2024 - actual Fund returns to;
- 31 March 2024 - Fund asset statement;
- 31 March 2024 - Fund income and expenditure items to; and
- 31 March 2024 - details of any new unreduced early retirement payments out to.

The data is provided by the administering authority and has been checked for reasonableness by the actuary, including consistency with previous valuation data where relevant and is sufficient for this purpose. Although some of these data items have been estimated, the actuary does not believe that they are likely to have a material effect on the results of this report. There have not been any material changes or events since the data was prepared.

Employer Membership Statistics

The table below summarises the membership data, as at 31 March 2022.

Member Data Summary	Number	Salaries / Pensions £'000	Average Age
Active Members	24,013	397,111	46
Deferred Pensioners	28,653	30,628	49
Pensioners	25,949	85,232	72

Payroll

The total estimated pensionable payroll for the employers in the Fund is £478,740,000 for the year to 31 March 2024 (£432,477,000 for year to 31 March 2023).

Unfunded benefits

Unfunded benefits are excluded from the calculations as these are liabilities of employers rather than the Fund.

Early retirements

The calculations include 30 new early retirements during the year which were not allowed for at the previous accounting date. The total annual pension that came into payment was £253,200 (46 in the previous financial year totalling £254,000).

Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2024 is calculated to be 10.00% based on the Fund asset statements and cashflows as set out in the data section above.

The estimated asset allocation for Lincolnshire Pension Fund as at 31 March 2024 is as follows (noting that due to rounding they may not total 100%):

Asset Breakdown	31 March 2023		31 March 2024	
	£'000	%	£'000	%
Equities	1,709,023	56%	1,683,221	50%
Bonds	404,769	13%	461,537	14%
Property	230,604	8%	229,045	7%
Cash/temporary investments	97,607	3%	85,592	3%
Infrastructure	115,540	4%	136,004	4%
Absolute Return Fund	502,737	16%	778,729	23%
	3,060,280	100%	3,374,003	100%

Actuarial methods and assumptions

Details of the actuarial methods and derivation of the assumptions used can be found in the 31 March 2024 post accounting date briefing note issued alongside this report unless noted otherwise below (a copy of this can be requested from the Fund). The key assumptions used are set out below.

Financial Assumptions	31 March 2023	31 March 2024
	% p.a.	% p.a.
Discount Rate	4.80%	4.90%
Pension Increases (CPI)	2.85%	2.90%
RPI inflation	3.20%	3.20%
Salary Increases	3.85%	3.90%

Projected unit method is used in the calculations.

Actual pension increases up to and including the 2024 Pension Increase Order have been allowed for. This is reflected in the experience loss/(gain) on defined benefit obligation figure in the results. Actual CPI inflation experienced from September 2023 to March 2024 has also been allowed for.

The demographic assumptions adopted are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2022, except for an update of the CMI projection model. Details of the post-retirement mortality assumption are set out below; further details of the demographic assumptions adopted can be found in the briefing note corresponding to this report, and the Fund's actuarial valuation report.

Post Retirement Mortality	31 March 2023	31 March 2024
Base table	S3PA	S3PA
Multiplier (M/F)	130% / 120%	130% / 120%
Future Improvements model	CMI_2021	CMI_2022
Long term rate of improvement	1.25% p.a.	1.25% p.a.
Smoothing parameter	7.0	7.0
Initial additional parameter	0.0% p.a.	0.0% p.a.
2020 weight parameter	5%	0%
2021 weight parameter	5%	0%
2022 weight parameter	N/A	25%

The assumed life expectancies, based on the assumptions set out above, are set out in the table below:

Life Expectancy from age 65 years	31 March 2023	31 March 2024
Retiring Today		
Males	19.8	19.5
Females	22.9	22.7
Retiring in 20 years		
Males	21.1	20.8
Females	24.4	24.1

Fund Duration

The estimated Macaulay duration of the Fund as at the accounting date, using the assumptions set out above is 17 years.

Results

The net surplus as at 31 March 2024 is estimated to be £436.863m.

	31 March 2023	31 March 2024
Net pension asset in the statement of financial position as at:	£'000	£'000
Present value of the defined benefit obligation	(2,848,783)	(2,929,372)
Fair value of Fund assets (bid value)	3,060,280	3,374,003
Net surplus/(liability) in balance sheet	211,497	444,631

The present value of the defined benefit obligation consists of £2,896.446m (£2,814.706m as at 31 March 2023) in respect of vested obligation and £32.926m (£34.077m as at 31 March 2023) in respect of non-vested obligation.

The figures presented in this report are prepared on an IAS19 basis and therefore will differ from the results of the 2022 triennial funding valuation (see Pension Fund Note 17) because IAS19 stipulates the discount rate applied.

Note 19. Current Assets

	31 March 2023 £'000	31 March 2024 £'000
Short Term Debtors:		
Contributions due - Employers	3,172	8,938
Contributions due - Employees	727	1,807
Debtors Relating to Members	719	353
VAT Debtor	115	79
Sundry Debtors	26	3,914
Short Term Debtors	4,759	15,091
Cash Balances	23,923	15,895
Cash Balances	23,923	15,895
Total Current Assets	28,682	30,986

Note 20. Current Liabilities

	31 March 2023 £'000	31 March 2024 £'000
Short Term Creditors:		
Contributions - paid in advance	(34)	(22)
Creditors Relating to Members	(734)	(1,704)
Sundry Creditors	(2,459)	(1,489)
Total Current Liabilities	(3,227)	(3,215)

Note 21. Additional Voluntary Contributions

Scheme members may make additional contributions to enhance their pension benefits. All Additional Voluntary Contributions (AVC) are invested in a range of investment funds managed by the Prudential plc. At the year end, the value of AVC investments (excluding any final bonus) amounted to £7.596m (£7.789m in 2022/23). Member contributions of £0.766m (£0.836m in 2022/23) were received by the Prudential in the year to 31 March and £1.800m (£1.971m in 2022/23) was paid out to members.

The value of AVC funds and contributions received in the year are not included in the Fund Account and Net Assets Statement.

Note 22. Related Party Transactions

Lincolnshire County Council

The Lincolnshire Pension Fund is administered by Lincolnshire County Council. During the reporting period, the Council incurred costs of £0.303m (£0.267m in 2022/23) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses.

The Council is also the single largest employer of members of the Pension Fund and contributed £46.445m (£46.404m in 2022/23) to the Fund in 2023/24. All monies owing to and due from the Fund were paid by the statutory deadline and accounted for in the financial year.

The Treasury Management section of the Council acts on behalf of the Pension Fund to manage the cash position held in the Pension Fund bank account. This is amalgamated with the Council's cash and lent out in accordance with the Council's Treasury Management policies. During the year, the average balance in the Pension Fund bank account was £74.272m (£67.390m in 2022/23) and interest of £3.825m (£1.579m in 2022/23) was earned over the year.

Pensions Committee

Each member of the Pension Fund Committee is required to declare their interests at each meeting and also is asked to sign an annual declaration disclosing any related party transactions. Three Committee members: J Balchin (Employee Representative), S Larter (Small Scheduled Bodies Representative) and T Hotchin (Academy Sector Representative) were contributing members of the Pension Fund during 2023/24. S Larter (Small Scheduled Bodies Representative) is also a deferred member of the scheme. Cllr M Allen and Cllr P Key (District Council Representative) were in receipt of a pension from the Lincolnshire Pension Fund.

Border to Coast Pensions Partnership

Lincolnshire Pension Fund is a minority shareholder in Border to Coast Pensions Partnership. It holds a £1 A share which gives the Fund one vote. The Fund also holds £1.182m (£1.182m in 2022/23) of regulatory share capital (B shares). These are included within long term investments in the net asset statement. At 31 March 2024 the Fund had invested in five sub-funds managed by Border to Coast Pensions Partnership: Global Equity Alpha, Overseas Developed Markets Equities, UK Listed Equities, Multi-Asset Credit and Investment Grade Credit (details shown in Note 12). The Fund also made a commitment of £85m to the Border to Coast Global Property sub-fund, no capital calls were made in 2023/24. During 2023/24 the Fund paid Border to Coast £5.875m (£4.126m in 2022/23) to manage these assets and the company.

Note 23. Key Management Personnel

The key management personnel of the Fund are the Deputy Chief Executive and Executive Director of Resources, Assistant Director Finance, Head of Lincolnshire Pension Fund, and Accounting, Investment and Governance Manager. The Fund does not employ any staff directly. Lincolnshire County Council employs the staff involved in providing the duties of the Administering Authority for the Fund. The proportion of employee benefits earned by key management personnel relating to the Pension Fund are: £0.144m short term benefits (£0.137m in 2022/23) and £0.035m post-employment benefits (£0.024m in 2022/23).

Note 24. Contractual Capital Commitments

At 31 March 2024 the Fund had outstanding capital commitments (investments) to twelve investment vehicles, amounting to £102.096m (£37.755m as at 31 March 2023). These commitments relate to outstanding call payments due on unquoted limited partnerships making investments in private equity, property or infrastructure funds. The amounts 'called' by these funds are irregular in both size and timing over the lifetime of the funds.

Note 25. Events After the Balance Sheet Date

There have been no events after the balance sheet date that requires adjustment or disclosure within the financial statements.

Glossary of Terms

Actuary – An independent consultant who advises the Fund and every three years formally reviews the assets and liabilities of the Fund and produces a report on the Fund’s financial position, known as the Actuarial Valuation.

Admitted Body – Private contractors that are admitted to the LGPS to protect member pension rights following a TUPE transfer, or a body which provides a public service which operates otherwise than for the purposes of gain.

Alternatives – Investment products other than traditional investments of stocks, bonds, cash or property. The term is used for tangible assets such as infrastructure and property and financial assets such as private equity and derivatives.

Asset Allocation – Distribution of investments across asset categories, such as cash, equities and bonds. Asset allocation affects both risk and return, and is a central concept in financial planning and investment management.

Asset Pooling – In the context of the LGPS, this is the collaboration of several LGPS Funds to pool their investment assets in order to generate savings from economies of scale, as requested by MHCLG: ‘significantly reducing costs whilst maintaining investment performance’.

Auto Enrolment – UK employers have to automatically enrol their staff into a workplace pension if they meet certain criteria and repeat this process every three years to re-enrol any employees who have opted out.

Bonds – Certificate of debt issued by a government or company, promising regular payments on a specified date or range of dates, usually with final capital payment at redemption.

Career Average Revalued Earnings (CARE) Scheme – The pension at retirement will relate to your average salary over your career (while paying into the pension scheme). More precisely for the LGPS, it is based on pensionable earnings, increased in line with inflation as measured by the Consumer Price Index (CPI).

CIPFA – Chartered Institute of Public Finance & Accountancy.

Consumer Price Index (CPI) – The rate of increase in prices for goods and services. CPI is the official measure of inflation of consumer prices of the United Kingdom.

Counterparty – The other party that participates in a financial transaction. Every transaction must have a counterparty in order for the transaction to complete. More specifically, every buyer of an asset must be paired up with a seller that is willing to sell and vice versa.

Custodian – Organisation which is responsible for the safekeeping of assets, income collection and settlement of trades for a portfolio, independent from the asset management function.

Defined Benefit – An employer-sponsored retirement plan where employee benefits are assessed based on a formula using factors such as salary history and duration of employment.

Derivative – Financial instrument whose value is dependent on the value of an underlying index, currency, commodity or other asset.

Diversification – Risk management technique which involves spreading investments across a range of different investment opportunities, thus helping to reduce overall risk. Risk reduction arises from the different investments not being perfectly correlated. Diversification can apply at various levels, such as diversification between countries, asset classes, sectors and individual securities.

Equities – Ordinary shares in UK and overseas companies traded on a stock exchange. Shareholders have an interest in the profits of the company and are entitled to vote at shareholders' meetings.

Fiduciary Duty – A legal obligation of one party to act in the best interest of another. The obligated party is typically a fiduciary, that is, someone entrusted with the care of money or property.

Final Salary – One type of defined benefit pension scheme where employee benefits are based on the person's final salary when they retire. The LGPS Scheme has moved from this to a CARE (career average) scheme from 2014.

Funding Level – The ratio of a pension fund's assets to its liabilities. Normally relates to defined benefit pension funds and used as a measure of the fund's ability to meet its future liabilities.

IFRS – International Financial Reporting Standards. Aim to standardise the reporting and information disclosed in the financial accounts of companies and other organisations globally.

Infrastructure – The public facilities and services needed to support residential development, including highways, bridges, schools, and sewer and water systems. A term usually associated with investment in transport, power and utilities projects.

Investment Strategy – The investor's long-term distribution of assets across various asset classes, taking into consideration their objectives, their attitude to risk and timescale.

Liabilities – Financial liabilities are debts owed to creditors for outstanding payments due to be paid. Pensions liabilities are the pension benefits and payments that are due to be paid when someone retires.

Market Value – The price at which an investment can be bought or sold at a given date.

Pooled Investment Fund – A fund managed by an external Fund Manager in which a number of investors buy units. The total fund is then invested in a particular market or region. The underlying assets the funds hold on behalf of clients are quoted assets such as fixed interest bonds and equity shares. They are used as an efficient low-risk method of investing in the asset classes.

Portfolio – Block of assets generally managed under a single mandate.

Private Equity – Shares in unquoted companies. Usually high risk, high return in nature.

Return – Increase in value of an investment over a period of time, expressed as a percentage of the value of the investment at the start of the period.

Risk – Likelihood of a return different from that expected and the possible extent of the difference. Also used to indicate the volatility of different assets.

Scheduled Body – Public sector employers or designating bodies that have an automatic right and requirement to be an employer within the LGPS.

Settlement – Payment or collection of proceeds after trading a security. Settlement usually takes place sometime after the deal and price are agreed.

Stock Lending – Lending of stock from one investor to another that entitles the lender to continue to receive income generated by the stock plus an additional payment by the borrower.

Target – Managers are set a target for investment performance such as 1% above benchmark per year over three year rolling periods.

Triennial Actuarial Valuation – Every three years the actuary formally reviews the assets and liabilities of the Lincolnshire Fund and produces a report on the Fund's financial position.

5 Investments and Funding

The Fund's [Investment Strategy Statement](#) (ISS) sets out the long term asset allocation to meet the Fund's objectives of paying pensions to beneficiaries when they fall due. It links to the [Funding Strategy Statement](#) (FSS), which sets out how employers' contribution rates are set and how employers are managed on entry and exit from the Fund, in that the investment strategy sets out how the assets will be invested to meet the required level of investment growth to ensure that employers are 100% funded over the long term. The FSS is reviewed during each triennial valuation and all employers are consulted on the document before it is approved by the Pensions Committee.

The Fund has a need to take risk to help it achieve its funding objectives. It has an active risk management programme in place that aims to help it identify the risks being taken and put in place processes to manage, measure, monitor and (where possible) mitigate the risks being taken. One of the Committee's overarching beliefs is to only take as much investment risk as is necessary.

The ISS is reviewed alongside the triennial valuation and implementation of changes agreed can take a period of time. The table below shows the movements across the asset allocation from the start of the year to the end of the year, and the target strategic asset allocation as set out in the ISS:

Asset Class	Asset allocation (31 March 2023)	Asset Allocation (31 March 2024)	Target Strategic Asset Allocation
Equity Assets			
UK equities			
- Border to Coast UK Listed Equities	15%	8%	5%
Global equities			
- Border to Coast Global Equity Alpha	25%	15%	15%
- Border to Coast Overseas Developed Markets	0%	10%	10%
- Legal & General Future World Fund	15%	15%	15%
Diversifying Growth Assets			
- Morgan Stanley Private Markets (incl. legacy PE and Infrastructure)	16.5%	20.5%	21%
- Border to Coast Multi Asset Credit	6%	10%	10%
Property*	10%*		
- UK Commercial Property		4.5%	3.15%
- UK Residential Property		2.0%	3.15%
- Global Property		1.5%	4.2%
Protection Assets			
Fixed Income			
- Border to Coast Sterling Investment Grade Credit	11.5%	12.5%	12.5%
- Cash	1%	1%	1%
	100%	100%	100%

*Property allocation not previously split across the three asset classes

Over the reporting period, fourteen employers joined the Fund and eight employers left. All employers were managed in line with the FSS.

Both the ISS and FSS are compliant with the statutory guidance.

Investment administration and custody are undertaken by either Northern Trust, as the Fund's custodian, or by the underlying managers own appointed custodians.

Investment Performance 2023/24

Asset Class	Fund Manager	12-month performance to 31 March 2024		
		Fund Manager return %	Benchmark return %	Benchmark
Equities				
Future World Equity Fund	Legal & General Investment Management	15.4%	15.4%	Product specific index
Global Equity Alpha	Border to Coast	18.4%	20.6%	MSCI All Countries World Index
Overseas Developed Equity (invested 29/11/23)	Border to Coast	n/a	n/a	Weighted Developed Markets Index
UK Listed Equity	Border to Coast	7.4%	8.4%	FTSE All Share
Property				
Property Unit Trusts	Various	0.3%	(0.7%)	UK IPD Monthly Index
Property Other	Various	(7.1%)	7.0%	7% per annum
Property Global	Various	n/a	n/a	7% per annum
Property UK Residential	Various	n/a	n/a	6% per annum
Diversifying Growth Assets				
Private Markets	Morgan Stanley Investment Management	6.7%	11.5%	GBP 3-month SONIA + 0.1193% + 4%
Infrastructure*	Various	4.8%	6.0%	6% per annum
Multi Asset Credit	Border to Coast	9.4%	8.7%	Product specific index
Fixed Interest				
Sterling Investment Grade Credit	Border to Coast	7.6%	6.1%	iBoxx Sterling Non-Gilts Index
Cash	LCC	5.2%	5.1%	SONIA -0.1%
Overall Performance for 12 months		10.0%	11.4%	

* Infrastructure performance was comingled with property returns until 01/04/2019

** Other Property performance was split between Other Property, Global Property and Residential Property from 01/01/2024

Property and Infrastructure managers include:

- Directly held property unit trusts: ABRDN, Aviva, Blackrock and Royal London

- Directly held other property funds: Igloo;
- Directly held global property funds: ABRDN
- Directly held residential property funds: Allianz and Hearthstone
- Directly held infrastructure funds: Infracapital, Innisfree and Pantheon

Environmental, Social, and Governance

The Lincolnshire Pension Fund was again successful in submitting its [Stewardship Code Statement](#) for 2022/23, meeting the requirements of the Financial Reporting Council's (FRC) Stewardship Code. The FRC produced the new code in 2020 requiring more detail and examples of outcomes of stewardship. The Fund encourages its external managers and service providers to produce their own statements against the FRC code and requires them to report their engagement and stewardship activity to the Fund.

The Fund is a member of the Local Authority Pension Fund Forum (LAPFF), which is a voluntary organisation comprising of 87 LGPS Funds and six of the LGPS asset pools. LAPFF exists to promote the investment interests of Local Authority Pension Funds, and to maximise their influence as shareholders in promoting corporate social responsibility and high standards of corporate governance in the companies in which they invest. Further information on the work of the LAPFF can be found at www.lapfforum.org.

The Fund is a member of the Pensions and Lifetime Savings Association (PLSA), where the Head of Lincolnshire Pension Fund sits on the PLSA Local Authority Committee, and the Fund also subscribes to the CIPFA Pensions network.

The Fund requests that its equity managers vote on all company holdings, wherever possible. Information on the votes cast by these managers is reported to the Pensions Committee in the Responsible Investment Update report on a quarterly basis, which is available on the Lincolnshire County Council website in the relevant [Pensions Committee papers](#).

The Pensions Committee believe that the adoption of good practice in Corporate Governance will improve the management of companies and thereby increase long term shareholder value. The Fund's Responsible Investment (RI) policy and Corporate Governance and Voting policy can be found on the Council's [website](#). These policies are aligned with those of our asset pool, Border to Coast, who is responsible for implementing them across the assets that they manage for the Fund. In addition to this, the Committee have their own agreed Responsible Investment Beliefs, which were last reviewed in February 2022, and these can also be found on the website. Any investment decisions that the Committee make are made with consideration of these beliefs.

The Fund works closely with Border to Coast and the other partner funds within the asset pool to ensure that they integrate RI into all their investment activity. Further information on the RI work that Border to Coast does can be found on their website at www.bordertocoast.org.uk.

Accounting for Local Government Pension Scheme Management Expenses

The management expenses incurred by the Fund over the financial year are set out below:

Management Expenses	2023/24 £'000
Administration Costs	1,513
Investment Management Costs	10,966
Oversight and Governance Costs	947
Total	13,426

- **Administrative expenses** - All costs associated with pensions administration are charged to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.
- **Investment management expenses** - Investment management expenses are charged directly to the Fund as part of management expenses and are not included in, or netted off from, the reported return on investments. Fees on investments where the cost is deducted at source have been included within investment expenses and an adjustment made to the change in market value of investments.
- **Oversight and Governance** - All costs associated with the governance and oversight are recharged to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

Fees for the external investment managers are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase and decrease as the value of the investments change. Investment manager fees are generally higher where more active risk is taken by the manager, as manager skill is expected in these types of mandate, leading through to higher returns. Passive products that track an index are generally the cheapest form of investment.

The Fund uses the information required of managers through the Scheme Advisory Board's Code of Transparency to understand implicit costs within an investment product and ensure that manager expenses are reflected as fully as possible.

Strategic Asset Allocation

The asset allocation is shown on page 77 and reflects the long-term asset allocation agreed by the Pensions Committee, however this will be implemented over time as the Fund transitions assets to Border to Coast. In the interim, the actual asset allocation may be quite different to the final strategic allocation. For performance measurement purposes the strategic allocation is amended as assets are moved.

Actual Asset Distribution

The actual distribution of assets compared to the long-term strategic allocation is shown in the table below.

Asset Class	Strategic Allocation	Range	Maximum	Actual Assets	
	%	%	%	£'000	%
Equity Assets					
UK Equities	5.0	+/-1%	6.0	277,892	8.3
Global and Overseas Equities	40.0	+/-5%	45.0	1,405,329	41.8
Total Equities	45.0	+/-6%	51.0	1,683,221	50.0
Diversifying Growth Assets					
Private Markets (inc. legacy PE & infra)	21.0	+/-3%	24.0	646,876	19.2
Multi-Asset Credit	10.0	+/-2%	12.0	325,269	9.6
Property	10.5	+/-1.5%	12.0	229,046	6.8
Total Diversifying Growth Assets	41.5	+/-6.5%	48.0	1,201,191	35.6
Protection Assets					
Fixed Income	12.5	+/-1.5%	14.0	411,138	12.2
Unallocated Cash	1.0	+/-0.5%	1.5	77,272	2.3
Total Protection Assets	13.5	+/-2%	15.5	488,410	14.5
Total Assets	100.0			3,372,822	100.0

Pooling

In the LGPS (Management and Investment of Funds) Regulations 2016, enacted in November 2016, the Government required all Local Government pension funds to combine their assets into a small number of asset pools, in line with guidance issued by the Secretary of State and meeting the four criteria set out below:

- a. Benefits of scale - a minimum asset size of £25bn;
- b. Strong governance and decision making;
- c. Reduced costs and value for money; and
- d. Improved capacity to invest in infrastructure.

These regulatory changes do not affect the sovereignty of the Lincolnshire Pension Fund, and the pooling of LGPS assets will have no impact on the employee contribution rates or pension entitlement of members of the fund (pensioners, current employees and previous employees who are yet to draw their pension).

Department of Levelling Up, Housing and Communities (DLUHC) issued a consultation in 2023 on further guidance to asset pooling, and the LGPS is awaiting the final statutory guidance to be issued.

Lincolnshire Pension Fund's Solution

Having assessed the various options available, it was decided that the Fund would pool its assets with ten other like-minded funds and create a new entity to implement the investment strategy and manage the investments. Some core principles were agreed at the very beginning, these included:

- One Fund, one vote – regardless of size all Funds will be treated equally;
- Equitable sharing of costs;
- A fully regulated company; and
- To drive efficiencies and work effectively, partner funds must have a complimentary investment ethos, risk appetite and strategy.

The new entity was created by the partner funds, with experts appointed to ensure the structure would meet the needs of the Funds, the requirements of the Financial Conduct Authority (FCA) and the criteria set by Government.

Border to Coast Pensions Partnership

Border to Coast Pensions Partnership Ltd (Border to Coast) went live in July 2018 as a fully regulated asset management company, jointly owned by eleven partner funds' administering authorities, with each Fund having an equal share in the company. Border to Coast's role is to implement the investment strategies of the partner funds, through a range of investment sub-funds offering internally and externally managed solutions.

Asset Transitions

As at 31 March 2024, the Lincolnshire Fund had transitioned assets into six sub-funds, with new investments in the Overseas Property fund and a reallocation from the externally managed Global Equity Alpha fund into the internally managed Overseas Developed Equity fund.

The Fund has 56.4% invested in Border to Coast vehicles as at 31 March 2024, compared to 52.5% invested at 31 March 2023, which shows the positive direction of travel. Total assets pooled in line with the Government Directive, which includes assets not directly managed by Border to Coast but also passive funds with a manager where fees have been negotiated by the pool, stood at 71.7% (all assets managed in Border to Coast funds and the investment with LGIM).

Assets not managed directly by Border to Coast

There are six areas that are currently not managed by Border to Coast, as set out below, with the transition plan or reasons as to why they have not been transitioned at this time.

- **Passive Equities – managed by LGIM (15% allocation)**
 Border to Coast is developing a Multi Factor Global Equity fund which these assets will transition too, subject to it being fit for purpose. This is expected to launch in early 2025.
- **UK Commercial Property – managed across a number of funds (3.15% allocation)**
 Border to Coast is still finalising their direct UK Property offering. The Committee have approved a long-term ambition to transition to this fund, however it will take a number of year to fully transition. It is expected that initial commitments will
- **UK Residential Property – managed across a number of funds (3.15% allocation)**
 Border to Coast is not currently developing a residential property offering, and the Fund has a 3.15% strategic allocation to this asset class. -If an appropriate vehicle is developed, investments will be made and transition of legacy assets will take place where possible.
- **Overseas Property – legacy holding (4.2% allocation)**
 The Fund has committed to, and made its first investment into, the Border to Coast Overseas property fund, but still holds legacy assets in Abrdn’s European Property Growth Fund, which is in wind-up. Additional funds will be invested in the Border to Coast vehicle as they become available.
- **Private markets – managed by Morgan Stanley (16% allocation)**
 A decision was made by the Pensions Committee at its meeting in June 2022 to retain Morgan Stanley for the management of the private markets investments, until Border to Coast had a comparable vehicle that provided a fully serviced solution. The Fund is working with Border to Coast on this and it is expected that the private markets portfolio will transition in the coming years.
- **Infrastructure – legacy holdings managed across a number of funds (inc. with 21% allocation to private markets)**
 These are closed ended vehicles that were invested in prior to Border to Coast’s vehicles being available and will be held to maturity. New infrastructure investments are made through Morgan Stanley’s private market allocation.

Border to Coast costs and savings for Lincolnshire

Border to Coast have worked with the Partner Funds, and other asset pools, to gather data, agree assumptions, and build a savings model and process that will enable consistent reporting against this key metric going forward. This supports one of the original objectives of pooling, i.e. to reduce costs and deliver value for money. Note: savings from future launches are not included.

The table below details the net savings to date:

Border to Coast Costs and Savings	Cumulative		
	to 2022/23 Actual £m	2023/24 Actual £m	Total Actual £m
Implementation Costs – pre-incorporation	0.19	-	0.19
Implementation Costs – post-incorporation	0.24	-	0.24
Share Purchase/ Subscription	1.18	-	1.18
Share Purchase/ Subscription (adj.)	(1.18)	-	(1.18)
Governance Costs	1.20	0.34	1.54
Development Costs	0.23	0.05	0.28
Project Costs	0.61	-	0.61
Total Set-up and Operating Costs	2.47	0.39	2.86
Transition Costs	0.45	-	0.45
Total Transition Costs	0.45	-	0.45
Fee savings due to pooling	0.57	-	0.57
Fee Savings – Private Markets	-	-	-
Fee Savings – Public Markets	4.21	1.73	5.94
Fee Savings – Public Markets (add. costs)	(0.12)	(0.08)	(0.20)
Fee Savings – Real Estate UK	-	-	-
Fee Savings – Real Estate Global	-	-	-
One Offs (Crossing deals)	3.28	-	3.28
Other Savings	-	-	-
Total Fee Savings	7.94	1.64	9.58
Net Position	5.02	1.26	6.28
Cumulative Net Position	5.02	6.28	

Asset Table

£m Asset values as at 31 March 2024	Pooled £'000	Under pool management £'000	Not pooled £'000	Total £'000
Equities (including convertible shares)	1,165,713	517,508		1,683,221
Bonds	411,138			411,138
Property			229,046	229,046
Hedge funds			217,649	217,649
Diversified Growth Funds (incl. multi-asset funds)	325,269			325,269
Private equity			235,257	235,257
Private debt			50,274	50,274
Infrastructure			136,004	136,004
Derivatives			(6,425)	(6,425)
Cash and net current assets			90,834	90,834
Other			555	555
Total	1,902,120	517,508	953,194	3,372,822

Supplementary Table

£m Asset values as at 31 March 2024	Pooled £'000	Under pool management £'000	Not pooled £'000	Total £'000
UK Listed Equities	324,531	35,191		359,722
UK Government Bonds	23,271			23,271
UK Infrastructure			37,634	37,634
UK Private Equity				0
Total	347,802	35,191	37,634	420,627

6 Administration

Summary of activity

Lincolnshire Pension Fund operates within a shared service arrangement with West Yorkshire Pension Fund (WYPF) to provide Pensions Administration services for members. This arrangement began in April 2015 and was made to improve efficiency and reduce costs in the provision of the Pensions Administration service. These improvements are being seen.

A satellite office for the WYPF administration team is based at County Offices, Lincoln, co-located with the LCC Pension Fund team, to enable scheme members to have a point of contact in Lincolnshire. Members can visit County Offices and speak to someone regarding their pension arrangements.

The monthly data return from employers is a considerable benefit to the administration process and has improved the quality of data held in the administration system, enabling a better service to be provided to scheme members. However, some employers and their payroll providers still need to improve their own processes for submitting accurate data. WYPF continues to work with the Lincolnshire Fund and its employers to improve all aspects of administering the scheme.

The Pensions Committee and Pension Board take a keen interest in the administration of the Fund and receive regular reports and presentations (see the Board's annual report on page 17) on all aspects of the administration service.

The Head of Lincolnshire Pension Fund attends the bi-monthly shared service meetings, with all shared service partners. In addition, as part of the overall governance of the service, the Head of Lincolnshire Pension Fund sits on the Collaboration Board of the shared service, alongside the senior management of WYPF and other shared service partners, to ensure that the original aims of the partnership with WYPF are met.

The service is monitored through a number of performance indicators, which are covered on page 88 of this report. Performance is reported quarterly to the Pensions Committee and Pension Board, and regular meetings are held with WYPF to understand and manage any performance issues. The critical business areas impacting on pensioners and their families take priority, these being members requiring immediate payment for retirements, redundancies, dependants' pensions, and death grants.

Key administration activities undertaken during the year

Employer Training

This year the workshops were delivered virtually in bite size webcasts by the Employer Relations Team and are designed to give employers a good understanding of the pension scheme. Feedback from participants on these events has been very positive.

The webcasts this year have covered:

- Blocks and Quarantines
- Walk through the online leaver form

- Information needed for HMRC checks
- Understanding the LGPS and conveying its benefits to members (outsourced - Hymans)
- Pensions terminology and historic issues e.g. rule of 85, McCloud, Goodwin, member protections (outsourced – Hymans)
- Employer responsibilities (outsourced – Hymans)
- Understanding McCloud (outsourced – Hymans)
- Authorised contacts and your year-end responsibilities
- Understanding CPP (pay for CARE pension)
- Understanding final pay
- Assumed pensionable pay
- Completing your March return: steps to success
- Employer Engagement Forum – operational day to day level

Member engagement

WYPF have run a series of online education sessions for members to learn about the basics of the LGPS as well as the options available to members to increase their benefits.

These covered:

- Engage with your pension – understanding your Annual Pension Statement
- Engage with your pension – Pre-April 2014 joiners
- Engage with your pension – Post April 2014 joiners
- Engage with your pension – Increasing your benefits

These sessions have been recorded and published on the shared service website to allow members the ability to catch up on demand.

During this period WYPF run a series of webinars in line with the national initiative of Pensions Awareness week which covered:

- Understanding the LGPS
- The Annual Pension Statement
- Contribution flexibility
- Death benefits

The administrator has continued to work with the shared services' pre-retirement partner Affinity Connect. The workshops run by Affinity Connect are there to support and guide members who are considering what retirement might mean to them and continue to be well attended. The workshops raise awareness of key issues to consider and the decisions members need to make as they approach this new stage in their life. 24 courses were delivered to members during this period.

Affinity Connect are now also offering our members financial wellbeing courses and these are for members of any age. Three courses were delivered and these covered:

- Understand income and plan spending
- Review and keep track of borrowing
- Plan financial goals and prepare for unexpected costs

- Start to plan for life beyond work, whenever that may be

Pension Increase

Each year, LPF pensioners receive an annual increase in accordance with pension increase legislation. The increase is linked to movements in the Consumer Price Index (CPI). Deferred member’s benefits are also increased by CPI. For the 2023/24 year, an increase of 10.1% was applied on 10 April 2023.

Pension administration and cost

As in previous years, the workload for pension administrators continued to increase and member numbers continue to rise across the shared service with WYPF.

The shared service delivery continues to be underpinned by its accreditation to the International Organisation for Standardisation - ISO 9001:2000. The quality management systems ensure that the shared service is committed to providing the best possible service to customers, and will continue to ensure that it delivers best value to all stakeholders. The latest published data (2022/23) for all LGPS funds administration costs shows that LPF pensions administration cost per member is £16.75, this is the 5th lowest cost amongst 87 LGPS funds and well below national average of £27.85.

MyPension

With the shared services ‘MyPension’ service (accessible on the shared website) members can view their pension record and statements and update personal details. There is now the facility for members to do their own age estimates. Members are being encouraged to sign up as the service moves to more online communications.

Key Performance Indicators

These are detailed in the table below, showing the performance achieved over the last year against the expected performance, and highlighted with a red, amber, or green, and a direction of travel, to show where expectations have been met

Event	No. Cases	Target Days to Complete	Cases Target Met	Minimum Target %	Target Met %	Average Days Taken	Travel
Age 55 Increase to Pension	3	20	3	85	100	9.67	↔
AVC In-house (General)	193	20	191	85	98.96	2.6	↓
Change of Address	615	20	611	85	99.35	2.23	↑
Change of Bank Details	355	20	355	85	100	2.43	↑

Event	No. Cases	Target Days to Complete	Cases Target Met	Minimum Target %	Target Met %	Average Days Taken	Travel
Death Grant to Set Up	140	10	125	85	89.29	6.85	↓
Death In Retirement	601	10	540	85	89.85	5.19	↑
Death In Service	25	10	24	85	96	9.28	↑
Death on Deferred	35	10	32	85	91.43	4.11	↑
Deferred Benefits Into Payment Actual	1,102	10	1,058	90	96.01	4.58	↑
Deferred Benefits Into Payment Quote	1,313	35	1,098	85	83.63	40.3	↑
Deferred Benefits Set Up on Leaving	3,488	20	1,697	85	48.65	111.12	↓
Dependant Pension To Set Up	268	5	244	90	91.04	5	↓
Divorce Quote	189	40	181	85	95.77	13.89	↓
Divorce Settlement Pension Sharing order Implemented	5	80	5	100	100	3.4	↔
DWP request for Information	2	20	2	85	100	1.5	↔
Estimates for Deferred Benefits into Payment	14	10	12	90	85.71	11.13	↓
General Payroll Changes	450	20	447	85	99.33	2.12	↑
Initial letter Death in Retirement	601	10	585	85	97.34	2.05	↓
Initial Letter Death in Service	25	10	25	85	100	6.2	↔

Event	No. Cases	Target Days to Complete	Cases Target Met	Minimum Target %	Target Met %	Average Days Taken	Travel
Initial letter Death on Deferred	35	10	34	85	97.14	3.06	↓
Interfund Linking In Actual	340	35	115	85	33.82	124.33	↓
Interfund Linking In Quote	284	35	260	85	91.55	30.11	↑
Interfund Out Actual	219	35	152	85	69.41	29.79	↓
Interfund Out Quote	174	35	136	85	78.16	31.01	↓
Life Certificate	264	10	214	85	81.06	6.74	↓
Monthly Posting	3,161	10	2,960	95	93.64	4.37	↔
NI adjustment to Pension at State Pension Age	40	20	37	85	92.5	10.83	↓
Pension Estimate	277	10	249	90	90	6.57	↑
Pension Saving Statement	3	20	3	100	100	1	↔
Phone Call Received	3,390	3	3,265	95	96.31	1.45	↔
Refund Actual	638	10	638	90	100	2.41	↑
Refund Quote	1,126	35	1,109	85	98.49	5.99	↑
Retirement Actual	726	10	688	90	94.77	4.49	↓
Retirement Quote	363	10	350	85	96.42	6.42	new
Transfer In Actual	121	35	79	85	65.29	56.84	↓
Transfer In Quote	184	35	165	85	89.67	18.74	↓
Transfer Out Payment	61	35	48	85	78.69	28.13	↓
Transfer Out Quote	366	35	310	85	85	27.16	↓
Update Member Details	3,444	20	3,374	100	97.97	4.6	↑

As can be seen from the table above, overall performance has generally met or exceeded targets (green direction of travel arrow).

There are some areas that have a red direction of travel arrow, where the performance target has not been met.

KPI's are brought to the Committee and Board quarterly and any areas that do not meet the standard required are discussed. The Fund understands the reasons behind any underperformance and what is being done to rectify the situation, and this does not provide the Fund with any cause for concern.

Industry standard performance indicators

The service is also monitored against industry standards. These are not directly comparable to the figures above as they are measured at different points but do provide a useful indicator of the overall level of service for comparison to other Funds.

Industry Standard Performance Indicators	Target days	Achieved %
Letter detailing transfer in quote	10	99.9
Letter detailing transfer out quote	10	88.3
Process and pay refund	5	98.6
Letter notifying estimate of retirement benefit	10	77.3
Letter notifying actual retirement benefit	3	97.8
Process and pay lump sum retirement grant	5	95.9
Letter acknowledging death of a member	5	76.1
Letter notifying amount of dependants benefit	5	99.3
Calculate and notify deferred benefit	10	68.8

New Pensions Paid

New pensions paid over the financial year are shown below, both from an active member status and a deferred member status. This is split across the various types of events that can cause a retirement:

- Normal – retirement at normal retirement age (NRA)
- Early – retirement before NRA – generally with reduced benefits
- Late – retirement after NRA – generally with increased benefits
- Ill health – release of pension through certified ill health
- Redundancy – release of pension from age 55 when made redundant

New pensions paid	2023/24 Member numbers
Active Status	
Normal	275
Early	363
Late	136
Ill health	29
Redundancy	25
Total active	828
Deferred status	
Normal	426
Early	504
Late	29
Ill health	3
Total deferred	962

Pension Overpayments

Occasionally, pensions are paid in error. When this happens, processes are in place to recover the overpayments. The table below shows a summary of the value of the overpayments involved. Every effort is made to recover these, whilst managing the financial impact on the overpaid pensioners.

Overpayments	2023/24 £'000
Annual payroll	100,030
Overpayments value (in year)	23
Overpayments written off (in year)	23
Overpayments recovered (total in year incl. brought forward)	16
Amount outstanding as at 31 March 2024	26

The table below shows a summary of the number of transactions processed during the year:

Analysis of overpayments	2023/24 Number of payments
Pensions paid during period	296,282
Cases overpaid	52
Cases written off	10
Cases recovered (total in year incl. brought forward)	49
Cases outstanding as at 31 st March 2024	36

Staffing

The table below identifies the numbers of staff across the areas of the shared service providing the administration service.

Shared service staff full time equivalent (FTE)	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Service Centre	59.5	54.8	52.4	57.7	65.3	70.6
Payroll	17.6	16.1	17.3	21.4	22.4	22.9
ICT	14.4	15.4	14.4	12.6	14.6	17.6
Finance	14.5	12.0	11.8	15.8	19.8	20.8
Business support	28.8	28.4	27.4	35.1	39.1	38.4
Technical	4.9	4.9	5.0	5.6	5.6	5.7
Total	139.7	131.6	128.3	148.2	166.8	176

Data quality

LGPS Funds are required to report on their data quality to the Pensions Regulator as part of the annual scheme returns. The Pensions Regulator has set a target of 100% accuracy for new common data received after June 2010.

Current data quality figures for LPF are shown below:

Common data field	Data score %
Forename	100.0
Surname	100.0
Membership status	100.0
Date of birth	100.0
NI number	99.9
Address	96.4
Postcode	100.0

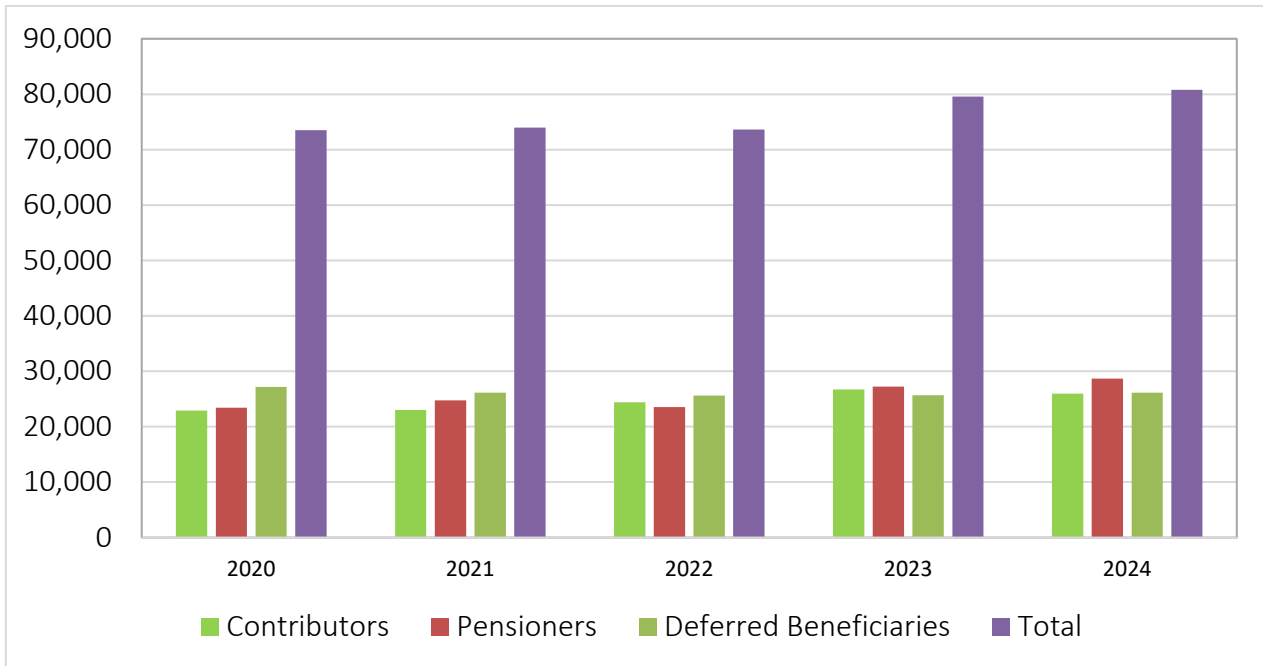
Much work is being undertaken to improve address data, and this work will continue over the next twelve months and beyond.

Fund members

As can be seen from the chart below, the active membership has fallen slightly over the year. The Fund has matured over the last five years, with pensioner and deferred members (those that are no longer in the Scheme but will be entitled to a pension at some point in the future) making up 67.9% of the overall membership. The past year has seen a decrease in contributing members and a rise in pensioner members.

Year ended 31 March 2024	2020	2021	2022	2023	2024
Active Contributors	22,890	23,038	24,422	26,691	25,963
Pensioners	23,438	24,746	23,536	27,231	28,659
Deferred Beneficiaries	27,201	26,160	25,650	25,651	26,170
Total	73,529	73,944	73,608	79,573	80,792
Undecided Leavers	529	383	532	524	588

(Note: The numbers disclosed in the table above reflect individual pension records within the County Council’s database at a point in time. Current and past members of the LGPS may have more than one pension record as a result, for example, of having more than one part time contract of employment with a Scheme employer).



Fund employers

Analysis of Active and Ceased Employers in the Fund:

	Active	Ceased	Total
Scheduled Body	234	16	250
Admitted Body	28	30	58
Total	262	46	308

Benefits are funded by contributions from scheme members and their employers, which are invested and to produce capital growth and income. This can then be used to pay future pensions and reduce the cost to employers.

Contributions are made by active members of the Fund in accordance with LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay. Employer contributions are set based on triennial actuarial funding valuations. Rates paid by employers during 2023/24 were determined at the 2022 Valuation, or when a new employer joins the scheme. Rates paid during 2023/24 ranged from 16.3% to 33.4% of pensionable pay. In addition, 45% of employers are paying monetary amounts to cover their funding deficit.

The employers' contribution rates (including deficit cash or percentage of payroll amounts where applicable) applying in the year ended 31 March 2024, for all employers are set out in appendix B, alongside actual cash contributions received from both the employer and the employees for each body.

Communications Policy

The contact centre hosted in Lincoln and in Bradford continues to be a popular way for members to communicate with the Fund about their pensions.

All annual pension benefit statements for active and deferred members were produced by the statutory deadline of 31 August providing time members with information on their benefits accrued to 31 March and what their potential benefits will be at retirement age, as well as other useful information. Positive feedback was received from members with the inclusion of information on pensions payable at ages 55, 60, 65 and state pension age, which included any reduction for early payment. Statements were issued electronically through the member secure portal.

Regular newsletters continue to be produced to keep members informed of important pensions news. The shared service has Facebook and Twitter accounts to encourage members of all ages to engage more with the Fund through social media.

Value for money - Cost per member

The latest published data (2022/23) for all LGPS funds administration costs shows that LPF pensions administration cost per member is **£16.75**, the **5th** lowest cost amongst 87 LGPS funds and well below the national average of **£27.85**.

In 2022/23 LPF had a below average total cost per members (administration, investment and oversight & governance) at **£166.07**, the national average for LGPS in 2022/23 is **£308.96**.

Cost per member 2022/23	Lincolnshire				
	Position	Pension Fund	LGPS Lowest*	LGPS Highest*	LGPS Average
Administration	5 th	£16.75	£7.63	£142.11	£27.85
Investment	15 th	£138.28	£4.49	£1276.17	£265.89
Oversight and governance	31 st	£11.04	£0.77	£93.37	£15.22
Total Cost per member	8th	£166.07	£42.68	£1342.64	£308.96

* the lowest and highest costs at each category are individual funds, and at the total level are the overall lowest and highest costs funds

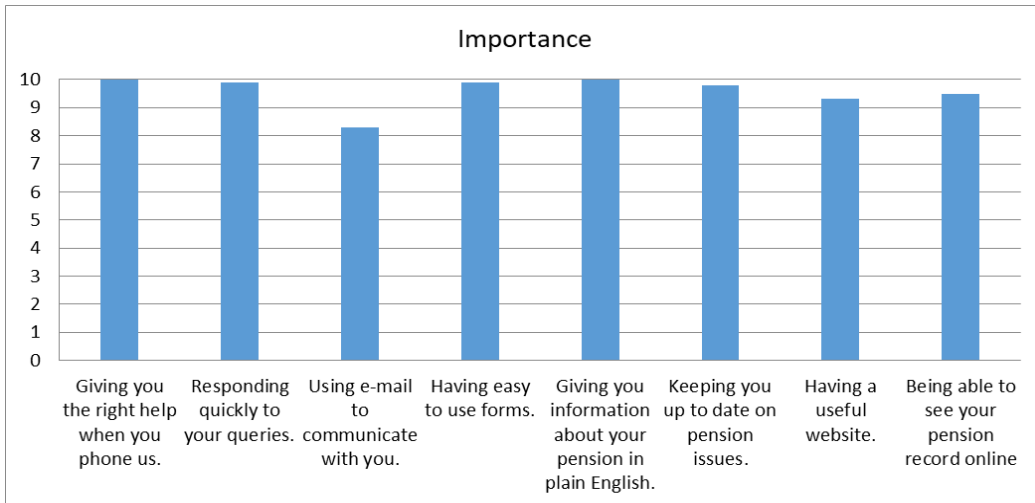
The 2023/24 annual cost of managing the Lincolnshire Pension Fund per member, as summarised in Note 10 in the accounts, is set out below:

- Administration cost per member is £18.60
- Investment management cost per member is £134.75
- Oversight and governance cost per member is £11.63
- Total management cost per member is £164.98

Customer satisfaction

Customer surveys are regularly sent to a sample of scheme members that have contacted the service centre or been involved in an event (e.g. retirement). In addition, the website has an online form for completion to obtain feedback.

The charts below show how members rate the importance of and satisfaction with the various services described below:



7 Actuarial Report

In line with the Local Government Pension Scheme Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022 and the next valuation is due to take place as at 31 March 2025.

A copy of the actuary's [2022 valuation report](#) can be found on the Fund's website, and results are summarised below.

Description of Funding Policy

Details of the funding policy are set out in the Funding Strategy Statement (FSS), in summary, the key points are to:

- Ensure that pension benefits can be met as and when they fall due over the lifetime of the Fund;
- Ensure the solvency of the Fund;
- Set levels of employer contribution rates to target a 100% funding level over an appropriate time period and using appropriate actuarial assumptions, while taking into account the different characteristics of participating employers;
- Build up the required assets in such a way that employer contribution rates are kept as stable as possible, with consideration of the long-term cost efficiency objective; and
- Adopt appropriate measures and approaches to reduce the risk, as far as possible, to the Fund, other employers and ultimately the taxpayer from an employer defaulting on its pension obligations.

Further details are contained in the FSS.

Actuary's Statement

The last full triennial valuation of the Lincolnshire Pension Fund (the Fund) was carried out as at 31 March 2022 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations) and in accordance with the Funding Strategy Statement of the Fund. The results were published in the triennial valuation report dated 30 March 2023.

Asset value and funding level

The results for the Fund at 31 March 2022 were as follows:

- The market value of the Fund's assets as at 31 March 2022 was £3,071m.
- The Fund had a funding level of 101% i.e. the value of assets for valuation purposes was 101% of the value that they would have needed to be to pay for the benefits accrued to that date, based on the assumptions used. This corresponded to a surplus of £18m.

Contribution Rates

The employer contributions rates, in addition to those paid by the members of the Fund, are set to be sufficient to meet:

- the annual accrual of benefits allowing for future pay increases and increases to pensions in payment when these fall due;
- plus an amount to reflect each participating employer's notional share of the Fund's assets compared with 100% of their liabilities in the Fund, in respect of service to the valuation date.

The primary rate of contribution on a whole Fund level was 24.1% of payroll p.a. The primary rate as defined by Regulation 62(5) is the employer's share of the cost of benefits accruing in each of the three years beginning 1 April 2023.

In addition, each employer pays a secondary contribution as required under Regulation 62(7) that when combined with the primary rate results in the minimum total contributions. This secondary rate is based on their particular circumstances and so individual adjustments are made for each employer.

Details of each employer's contribution rate are contained in the Rates and Adjustments Certificate in Appendix 5 of the triennial valuation report.

Assumptions

The key assumptions used to value the liabilities at 31 March 2022 are summarised below:

Financial Assumptions	Assumptions used for the 2022 valuation
Market date	31 March 2022
CPI inflation	2.9% p.a.
Long-term salary increases	3.9% p.a.
Discount rate	4.0% p.a.

Demographic Assumptions	Assumptions used for the 2022 valuation
Post-retirement mortality:	
<i>Base tables</i>	S3PA tables
<i>Projection model</i>	CMI 2021
<i>Long-term rate of improvement</i>	1.25% p.a.
<i>Smoothing parameter</i>	7.0
<i>Initial addition to improvements</i>	0.0% p.a.
<i>2022/21 weighting parameter</i>	5%

Full details of the demographic and other assumptions adopted as well as details of the derivation of the financial assumptions used can be found in the 2022 valuation report.

Updated position since the 2022 valuation

Assets

Investment returns on the Scheme's assets over the year to 31 March 2024 have been strong, estimated at 10% p.a. The Fund also has a positive cash flow, and so the market value of assets as at 31 March 2024 has increased since the formal valuation.

Liabilities

In July 2023, the actuary implemented a change to the funding basis as a result of recent increases in interest rates on the Fund's ongoing funding basis.

Since the last valuation date of 31 March 2022, there have been significant changes in the market conditions underlying the financial assumptions. In particular, there has been a significant increase in interest rates which affects the expected return of absolute return funds which formed 19% of the Fund's strategic asset allocation. Accordingly, the actuary believes that the target returns on such asset classes were becoming more difficult for investment managers to achieve.

As a result, the funding approach has been adjusted to assume that the long-term expected return for the absolute return funds is set approximately to two-thirds to equities and a third to gilts. This has led to an increase in liabilities over the period to 31 March 2024.

Further, inflation over the two years 31 March 2024 has been higher than the long-term average assumed at the 2022 valuation. This has also caused an increase in the liabilities as at 31 March 2024. However, this was anticipated when setting assumptions for the 2022 valuation and as expected long-term CPI inflation has fallen since March 2022 reducing the liabilities such that the actual CPI increases applied to members' benefits have been largely offset.

Overall position

Although the Fund's assets have performed well over the period and have broadly kept pace with the discount rate since March 2022, the increase in liabilities has resulted in a reduction to the funding position as at 31 March 2024, compared to the previous valuation.

The Fund continues to monitor the funding level using LGPS Monitor on a regular basis.

Barry McKay FFA

Partner, Barnett Waddingham LLP

8 External Audit Opinion

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINCOLNSHIRE COUNTY COUNCIL ON THE PENSION FUND FINANCIAL STATEMENTS INCLUDED IN THE PENSION FUND ANNUAL REPORT & ACCOUNTS

Opinion

We have examined the Pension Fund Financial Statements of Lincolnshire Pension Fund (“the Pension Fund”) for the year ended 31 March 2024 included in the Lincolnshire Pension Fund Annual Report & Accounts, which comprise the Fund Account, the Net Assets Statement and the notes to the financial statements, including the significant accounting policies in note 3.

In our opinion, the Pension Fund Financial Statements included in the Pension Fund Annual Report are consistent, in all material respects, with the Pension Fund financial statements included in the annual statement of accounts of Lincolnshire County Council (“the Council”) for the year ended 31 March 2024 that were approved on 15 January 2025.

Deputy Chief Executive and Executive Director of Resources’ responsibilities

As explained more fully in the Statement of the Deputy Chief Executive and Executive Director of Resources’ Responsibilities, the Deputy Chief Executive and Executive Director of Resources is responsible for the preparation of the Pension Fund Financial Statements in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Auditor’s responsibilities

Our responsibility is to report to you our opinion on the consistency of the Pension Fund Financial Statements included in the Pension Fund Annual Report with the Pension Fund financial statements included in the annual statement of accounts of the Council.

In addition, we read the other information contained in the Pension Fund Annual Report and, if we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office in November 2024.

Our audit report on the Council’s annual published statement of accounts that we issued on 20 January 2025 describes the basis of our opinion on those financial statements.

The purpose of our work and to whom we owe our responsibilities

This auditor's statement is made solely to the members of the Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the members of the Council, as a body, for our work, for this statement, or for the opinions we have formed.



Rashpal Khangura

for and on behalf of KPMG LLP

Chartered Accountants

1 Sovereign Street

Leeds

LS1 4DA

20 January 2025

Appendix A Additional Information

Funding Strategy Statement:

<https://www.lincolnshire.gov.uk/downloads/download/272/lincolnshire-pension-fund---governance-and-administration-policies>

Investment Strategy Statement:

<https://www.lincolnshire.gov.uk/downloads/download/271/lincolnshire-pension-fund---investment-policies>

Governance Compliance Statement:

<https://www.lincolnshire.gov.uk/downloads/download/272/lincolnshire-pension-fund---governance-and-administration-policies>

Communications Policy:

<https://www.lincolnshire.gov.uk/downloads/download/272/lincolnshire-pension-fund---governance-and-administration-policies>

Appendix B Employer contributions information

Employer name	Primary rate (% pay)	Secondary rate (% pay, plus monetary amount)	Employers £'000	Employees £'000
Scheduled Bodies				
<u>Lincolnshire County Council Pool</u>				
Lincolnshire County Council	24.10%	-	-33,474	-8,821
Lincolnshire County Council Schools	24.10%	-	-12,972	-3,363
Serco	24.10%	-	-542	-147
GLL	24.10%	-	-335	-85
Balfour Beatty	24.10%	-	-122	-34
<u>Police and Crime Commissioner for Lincolnshire</u>				
Lincolnshire Police Chief Constable	24.40%	-	-8,214	-2,033
Police & Crime Commissioner	24.40%	-	-345	-105
<u>City of Lincoln Council</u>				
City of Lincoln Council	23.40%	£756k	-4,931	-1,156
Lincolnshire Road Car Company Ltd. (Stagecoach)	17.30%	-	-4	-1
<u>Individual Employers</u>				
Boston Borough Council	23.60%	£687k	-2,184	-422
East Lindsey District Council	23.80%	£649k	-3,590	-793
North Kesteven District Council	23.60%	£385k	-3,598	-906
South Holland District Council	23.80%	£232k	-2,486	-624
South Kesteven District Council	24.80%	-	-4,093	-1,064
West Lindsey District Council	23.50%	£642k	-2,732	-597
Small Scheduled Bodies				
<u>Small Scheduled Bodies</u>				
Billingham Parish Council	26.60%	-2.70%	-1	0
Bourne Town Council	26.60%	-2.70%	-26	-7
Bracebridge Heath Parish Council	26.60%	-2.70%	-16	-4
Cherry Willingham Parish Council	26.60%	-2.70%	-6	-1
Crowland Parish Council	26.60%	-2.70%	0	0
Deeping St James Parish Council	26.60%	-2.70%	-16	-4
Fiskerton Parish Council	26.60%	-2.70%	-2	0
Gainsborough Town Council	26.60%	-2.70%	-37	-9
Gedney Parish Council	26.60%	-2.70%	-5	-1
Greetwell Parish Council	26.60%	-2.70%	-1	0
Horncastle Town Council	26.60%	-2.70%	-27	-7
Ingoldmells Parish Council	26.60%	-2.70%	-1	0
Langworth Parish Council	26.60%	-2.70%	-3	-1

Employer name	Primary rate (% pay)	Secondary rate (% pay, plus monetary amount)	Employers £'000	Employees £'000
Louth Town Council	26.60%	-2.70%	-18	-5
Mablethorpe and Sutton Town Council	26.60%	-2.70%	-33	-10
Market Deeping Town Council	26.60%	-2.70%	-13	-3
Nettleham Parish Council	26.60%	-2.70%	-10	-3
North Hykeham Town Council	26.60%	-2.70%	-13	-3
North Thoresby Parish Council	26.60%	-2.70%	-3	-1
Pinchbeck Parish Council	26.60%	-2.70%	-7	-2
Scotter Parish Council	26.60%	-2.70%	-4	-1
Skegness Town Council	26.60%	-2.70%	-91	-21
Skellingthorpe Parish Council	26.60%	-2.70%	-8	-2
Sleaford Town Council	26.60%	-2.70%	-80	-21
Stamford Town Council	26.60%	-2.70%	-51	-13
Sudbrooke Parish Council	26.60%	-2.70%	-2	-1
Sutton Bridge Parish Council	26.60%	-2.70%	-9	-2
Thorpe on the Hill Parish Council	26.60%	-2.70%	-2	-1
Washingborough Parish Council	26.60%	-2.70%	-13	-3
Welton Parish Council	26.60%	-2.70%	-10	-3
Woodhall Spa Parish Council	26.60%	-2.70%	-8	-2
Further Education Bodies				
<u>Individual Employers</u>				
Bishop Grosseteste University	26.90%	-	-1,185	-290
Boston College	24.60%	-	-1,077	-255
Grantham College	24.50%	-	-734	-188
Lincoln College	25.30%	-	-924	-227
Academies				
<u>Lincolnshire Gateway Academy Trust Pool</u>	24.60%	£42k		
Louth Academy			-225	-43
Somercotes Academy			-121	-28
Theddlethorpe Primary School			-47	-11
<u>Priory Federation of Academies Pool</u>	24.10%	-		
Bourne Willoughby School			-293	-71
Cherry Willingham Primary School			-66	-15
Cherry Willingham The Priory Pembroke			-194	-46
Grantham Huntingtower Community				
Primary Academy			-170	-40
Heighington Millfield Primary Academy			-78	-19
North Hykeham Ling Moor Academy			-132	-31
Priory Federation of Academies			-1,921	-469
Waddington Redwood Primary School			-90	-21

Employer name	Primary rate (% pay)	Secondary rate (% pay, plus monetary amount)	Employers £'000	Employees £'000
<u>David Ross Education Trust Pool</u>	24.50%	£67k		
Corby Glen Charles Read Academy			-111	-27
Hogsthorpe Community Primary Sch Academy			-26	-6
Ingoldsby Primary Academy			-26	-6
Kirton Thomas Middlecott Academy			-173	-42
Skegness Grammar Academy			-178	-42
Spilsby Eresby Academy			-143	-34
Spilsby King Edward VI Academy			-218	-57
Tattershall Barnes Wallis Academy			-203	-32
<u>Communities Inclusive Trust Academies Pool</u>	23.30%	£306k		
Bingham Primary Academy			-33	-8
Boston Endeavour Academy			-283	-70
Caythorpe Primary			-38	-9
Chapel St Leonards Primary School			-101	-17
Foxfields Academy			-155	-40
Grantham Additional Needs Fellowship			-454	-39
Grantham Ambergate School			-287	-79
Grantham Greenfields Academy			-118	-29
Grantham Isaac Newton Primary School			-147	-36
Grantham Poplar Farm School			-136	-33
Grantham Sandon School			-139	-35
Linchfield Community Primary School			-119	-30
Spalding St Paul Community Primary School			-108	-27
Spalding Tulip Academy			-333	-83
Spilsby Woodlands Academy			-88	-22
<u>Horncastle Education Trust Pool</u>	25.10%	£127k		
Frithville Primary School			-28	-6
Horncastle Banovallum School			-285	-36
Horncastle Education Trust (Head Office)			-323	-82
Horncastle Queen Elizabeth Grammar School			-83	-19
Huttoft Primary School			-55	-12
New York Primary School			-40	-9
<u>Wellspring Academy Trust</u>	22.70%	£79k		
Horncastle Community Primary Academy			-130	-32
Louth Eastfield Infant and Nursery School			-140	-35

Employer name	Primary rate (% pay)	Secondary rate (% pay, plus monetary amount)	Employers £'000	Employees £'000
Louth Lacey Gardens Junior School			-129	-33
Springwell Alternative Academy			-520	-116
<u>Meridian Trust</u>	24.70%	-4.10%		
Stamford Welland Academy			-143	-41
Stamford The Bluecoat School			-77	-21
<u>Our Lady of Lourdes Catholic Multi-Academy Trust</u>	24.90%	£55k		
Sleaford Our Lady Of Good Counsel Catholic Primary Academy			-53	-12
Lincoln Our Lady Of Lincoln Catholic Primary Academy			-69	-16
Lincoln St Hugh's Catholic Primary Academy			-114	-26
Grantham St Mary's Catholic Primary School			-87	-19
Boston St Mary's RC Primary School			-69	-16
Spalding St Norbert's Catholic Primary School			-62	-14
Lincoln St Peter & St Paul Catholic Academy			-272	-50
Stamford St Augustines Catholic Primary Academy			-67	-15
<u>Tall Oaks</u>	23.60%	£28k		
Gainsborough Mercer's Wood Academy			-78	-19
Gainsborough Whites Wood Academy			-133	-33
Gainsborough Castle Wood Academy			-112	-20
<u>Kidgate Primary Academy</u>				
Kidgate Primary Academy	24.10%	£17k	-167	-36
Carlton Cleaning	24.10%	-	-1	0
<u>Individual Employers</u>				
Alford John Spendluffe Technology College	24.80%	£9k	-306	-70
Alford Queen Elizabeth's Grammar School - A Selective Academy	26.50%	-	-141	-31
Anthem Schools Trust	25.20%	£2k	-50	-12
Aspire Schools Trust (Head Office)	22.90%	-	-34	-11
Bassingham Primary School	27.00%	£8k	-57	-10
Boston Grammar School	24.80%	£6k	-212	-50
Boston High School	25.50%	£23k	-237	-49
Boston St Nicholas Church of England Primary School	23.70%	-	-70	-17
Boston St Thomas Church of England Primary Academy	23.20%	£22k	-143	-30
Boston Tower Road Academy	23.90%	£7k	-215	-49

Employer name	Primary rate (% pay)	Secondary rate (% pay, plus monetary amount)	Employers £'000	Employees £'000
Boston West Academy	24.10%	-	-116	-28
Boston William Lovell Church of England Academy	25.40%	£38k	-153	-26
Bourne Abbey Church of England Academy	24.10%	£15k	-472	-113
Bourne Academy	25.70%	-	-447	-109
Bourne Grammar School	26.00%	£12k	-311	-71
Bourne Westfield Primary Academy	25.10%	£6k	-296	-67
Bracebridge Heath St John's Primary Academy	25.20%	£13k	-157	-33
Bracebridge Infant and Nursery School	23.70%	-	-43	-10
Branston Church of England Infants School	24.00%	£4k	-46	-10
Branston Community Academy	25.40%	-	-380	-86
Branston Junior Academy	26.20%	£4k	-55	-11
Caistor Grammar School	25.00%	-	-161	-37
Caistor Yarborough Academy	23.20%	-	-173	-45
Donnington Cowley Academy	25.00%	-	-208	-49
Edenham Church of England School	26.50%	£9k	-34	-5
Friskney All Saints CofE Primary Academy	24.40%	-	-35	-8
Gainsborough Academy	24.00%	-3.50%	-102	-29
Gainsborough Aegir Specialist Academy	25.30%	£42k	-231	-43
Gainsborough Benjamin Adlard Community School	24.20%	-4.70%	-104	-31
Gainsborough Hillcrest Early Years Academy	22.70%	£17k	-151	-34
Gainsborough Parish Church Academy	23.80%	£17k	-124	-25
Gainsborough Warren Wood Specialist Academy	23.80%	£30k	-184	-36
Gedney Church End Primary Academy	21.70%	-	-25	-6
Gipsey Bridge Academy	26.50%	-	-33	-7
Gosberton House Academy	22.10%	£37k	-170	-35
Grantham Kings School	25.70%	£6k	-263	-58
Grantham National Church of England Junior School	26.00%	£13k	-86	-16
Grantham Walton Girls	24.60%	-	-295	-71
Harbour Learning Trust Central Office	21.20%	-	-22	-5
Harrowby Infant Academy	24.90%	£3k	-34	-7
Hartsholme Academy	22.40%	£16k	-123	-26
Holbeach Bank Academy	24.80%	£5k	-41	-8
Holbeach Primary Academy	24.10%	£16k	-177	-38

Employer name	Primary rate (% pay)	Secondary rate (% pay, plus monetary amount)	Employers £'000	Employees £'000
Horncastle St Lawrence School	23.30%	£50k	-278	-58
Infinity Academies Trust (Head Office)	26.10%	£1k	-57	-16
Ingoldmells Academy	23.80%	£17k	-74	-13
Keelby Primary Academy	26.70%	£17k	-90	-16
Kesteven & Sleaford High School Selective Academy	26.80%	£14k	-215	-44
Kesteven and Grantham Academy	27.30%	£27k	-363	-72
Kirkby la Thorpe CofE Primary Academy	25.60%	£3k	-57	-11
Leadenham Church of England Primary Academy	19.60%	-	-26	-8
Lincoln Acorn Free School	24.90%	-	-59	-14
Lincoln Anglican Academy Trust	24.00%	-	-280	-91
Lincoln Carlton Academy	22.90%	£13k	-147	-34
Lincoln Castle Academy	25.60%	-	-162	-38
Lincoln Christs Hospital School	26.00%	£10k	-401	-94
Lincoln Ermine Primary Academy	24.20%	-	-194	-46
Lincoln Fosse Way Academy	24.20%	-	-198	-46
Lincoln Manor Farm Academy	22.60%	-	-59	-15
Lincoln Manor Leas Infants School	25.60%	-	-66	-14
Lincoln Manor Leas Junior	24.40%	£1k	-67	-15
Lincoln Mount Street Academy	23.60%	-	-125	-29
Lincoln Sir Robert Pattinson Academy	25.40%	£33k	-365	-79
Lincoln St Giles Academy	24.10%	£37k	-190	-36
Lincoln University Technical College	22.30%	£10k	-117	-30
Lincoln Westgate Academy	24.00%	-	-113	-26
Little Gonerby Church of England Infants School	25.90%	-	-86	-19
Long Bennington Church of England Academy	25.80%	£6k	-85	-18
Long Sutton Primary School	24.40%	£16k	-183	-39
Louth King Edward VI Grammar School	25.50%	£66k	-283	-52
Louth St Bernards School	22.80%	£51k	-318	-69
Louth St Michaels Church of England Primary School	23.40%	£2k	-93	-22
Lutton St Nicholas Primary School	23.60%	£2k	-45	-10
Mablethorpe Primary Academy	25.20%	£5k	-165	-36
Market Rasen De Aston School (Academy)	24.30%	-	-295	-73
Morton Church of England Primary School	25.70%	£8k	-73	-14
Nettleham Infants School	24.00%	£12k	-81	-16

Employer name	Primary rate (% pay)	Secondary rate (% pay, plus monetary amount)	Employers £'000	Employees £'000
North Kesteven Academy	26.60%	£41k	-271	-52
North Thoresby Primary School	24.80%	-	-37	-8
Old Leake Giles Academy	25.00%	£9k	-158	-34
Pinchbeck East C of E Primary School	25.90%	£8k	-121	-25
Rauceby Church of England Primary School	27.40%	£2k	-74	-15
Ruskington Chestnut Street C of E Primary School	26.10%	£12k	-101	-19
Scothern Ellison Boulters Church of England Academy School	25.70%	-	-104	-22
Skegness Academy	24.30%	£19k	-514	-124
Skegness Beacon Primary Academy	23.20%	£2k	-85	-21
Skegness Infant Academy	25.40%	£31k	-155	-28
Skegness Junior Academy	25.00%	£7k	-147	-32
Skegness Seathorne Academy	24.60%	£11k	-127	-27
Skegness The Richmond School	24.50%	-	-13	-3
Sleaford Browns C of E Primary School	25.20%	£4k	-41	-8
Sleaford Carres Grammar School (Academy)	24.40%	£22k	-277	-63
Sleaford St Georges Academy	25.40%	-	-704	-163
Sleaford William Alvey Church of England School	24.40%	£6k	-217	-49
South Witham Academy	25.10%	£2k	-35	-7
Spalding Academy	25.30%	£13k	-372	-83
Spalding Grammar School Academy	25.20%	£20k	-236	-52
Spalding Monkshouse Academy	24.00%	£1.5k	-46	-10
Spalding Parish C of E Day School	25.30%	£5k	-175	-37
Spalding Primary School	23.90%	£14k	-173	-38
Spilsby Primary School	25.30%	£27k	-158	-30
Stamford Malcolm Sargent Primary	24.20%	-	-282	-67
Stamford St Gilberts Church of England Primary School	26.20%	£5k	-107	-22
Surfleet Primary Academy	24.10%	£3k	-33	-7
Tattershall Holy Trinity Church of England Primary	25.80%	£5k	-39	-7
The Deepings School	26.10%	-6.40%	-265	-80
The Marton Academy	25.40%	£5k	-34	-6
Thurlby Community Primary School	23.40%	£1k	-60	-14
University Academy Holbeach	25.20%	£19k	-461	-114
University Academy Long Sutton	24.40%	£32k	-257	-55
Utterby Primary School	24.40%	-	-28	-6

Employer name	Primary rate (% pay)	Secondary rate (% pay, plus monetary amount)	Employers £'000	Employees £'000
Voyage Education Partnership	23.40%	£47k	-1,512	-378
Waddington All Saints Academy	24.50%	£13k	-133	-27
Wainfleet Magdalene Church of England Academy	25.40%	£4k	-100	-21
Washingborough Academy	23.80%	£9k	-98	-22
Welbourn Sir William Robertson Academy	24.00%	£18k	-281	-65
Welton St Marys Church of England Primary Academy	24.10%	£6k	-91	-20
Welton William Farr Church of England Comprehensive School	25.70%	-	-395	-90
West Grantham Academies Trust	24.50%	-	-344	-83
Weston St Marys Primary School	25.30%	-	-9	-2
Whaplode C of E Primary School	24.30%	-	-46	-11
Witham St Hughs Academy	23.90%	£6k	-120	-28
Woodhall Spa St Andrews Church of England Academy	24.80%	£4k	-114	-25
Wrangle Primary Academy	24.10%	-	-4	-1
Wyberton Primary School	23.40%	£12k	-87	-16
Community Admission Bodies				
<u>Individual Employers</u>				
Active Lincolnshire	28.40%	-	-8	-2
Adults Supporting Adults	33.40%	-4.30%	-5	-1
Lincolnshire Housing Partnership	27.40%	-	-76	-22
Platform Housing Group	25.40%	-	-1,679	-25
Drainage Boards				
<u>Individual Employers</u>				
Black Sluice Internal Drainage Board	23.60%	£8k	-254	-73
Lindsey Marsh Drainage Board	24.00%	-	-488	-147
North East Lindsey Internal Drainage Board	25.10%	-4.40%	-10	-3
South Holland Internal Drainage Board	23.50%	£243k	-330	-24
Upper Witham Internal Drainage Board	24.10%	£11k	-125	-26
Welland and Deeping Internal Drainage Board	24.00%	£48k	-272	-65
Witham First Internal Drainage Board	30.10%	-10.80%	-52	-21
Witham Fourth Internal Drainage Board	24.60%	-	-295	-83
Witham Third Internal Drainage Board	23.50%	-	-261	-81
Transferee Admission Bodies				
<u>Individual Employers</u>				
Active Nation	31.50%	-21.50%	-2	-1

Employer name	Primary rate (% pay)	Secondary rate (% pay, plus monetary amount)	Employers £'000	Employees £'000
Aspens Catering (Sir Robert Pattinson Academy contract)	25.40%	-	0	0
Caterlink (David Ross Education Trust)	29.40%	-	-9	-2
Caterlink (Walton Girls School)	26.30%	-	-3	-1
Churchill Cleaning Services (Stamford Welland Academy contract)	24.70%	-	-7	-1
Danfo Ltd	23.10%	-	-5	-1
Easy Clean (Sir Robert Pattinson Academy contract)	25.40%	-	-9	-2
Easy Clean Contractors (Linchfield)	30.80%	-5.40%	-1	0
Edwards and Blake Ltd	27.40%	-	-3	-1
Hoople	18.70%	-	-38	-13
Independent Cleaning Services (Caistor Grammar)	24.90%	-	-2	-1
KRAM cleaning (Sir Robert Pattinson Academy contract)	25.40%	-	-2	-1
Lex Leisure (Boston Borough Council contract)	23.60%	-	-45	-11
Lex Leisure (Parkwood Holdings)	25.50%	-	-10	-46
Magna Vitae Leisure Trust	23.40%	-13.40%	-105	-72
Marigolds (Heckington Primary)	24.10%	-	-1	0
Mellors Catering (Lincoln Castle Academy)	21.10%	-	-3	-1
Mitie (Lincolnshire Police)	16.30%	-	-61	-24
Nightingale Cleaning Limited	32.60%	-	-3	-1
Outspoken Training	32.70%	-11.50%	-1	0
Reef Cleaning (Giles Academy)	25.00%	-	-14	-3
Taylor Shaw (Branston Community Academy)	30.30%	-	-7	-1
Taylor Shaw (Gainsborough Academy)	24.00%	-	-8	-2
Taylor Shaw (University Academy Holbeach)	25.20%	-	-25	-6
Vertas (Walton Academy)	19.80%	-	-11	-3
Vinci Construction UK Limited	33.00%	-11.40%	-9	-3
Resolution bodies				
<u>Individual Employers</u>				
Public Sector Partnership Services (PSPS)	23.10%	-	-1,813	-505

