

Lincolnshire  
Pension Fund



# Pension

NEWSLETTER

AUTUMN/WINTER 2022 • DEFERRED MEMBERS



LPF fund report • **Your pension is protected** • Free retirement courses

# Statement from the chair of the Local Pension Board

**Enshrined in legislation through the Public Sector Pensions Act 2013, the Pension Board has monitoring and governance responsibilities all designed to assist the Administering Authority (Lincolnshire County Council), and the Head of Pensions, in administering the LGPS. The board has five members – two employer representatives, two member representatives and an independent chair.**

The board met four times during the financial year 2021/2022 and reviewed a number of issues during the year – some each quarter, some half yearly and some annually. These reviews included the level of service provision during the pandemic, the performance levels attained by WYPF, employer monthly submissions and contribution monitoring, internal audit activity, the issues with Prudential AVCs, the *Annual Report & Accounts* and External Audit, and importantly compliance with the Pension Regulator's Code of Practice.

The board considers the governance and administration of the scheme to be sound. Lincolnshire's compliance to the vast majority of the regulator's Code of Practice is particularly impressive.

The board would like to express its thanks to Jo Ray, Head of Pensions, her team and the staff of WYPF for the huge amount of work undertaken during the year in trying conditions.

## Roger Buttery

Chair of the Lincolnshire Local Pension Board

## Have you checked your 2022 deferred statement?

Your statement shows you how much your pension benefits will be worth when you start taking them so you can see if you will have enough to live on. It's good to be prepared. Remember that your deferred benefits are protected against inflation.

Statements are online only now so you'll need to log in to **MyPension** to see your statement online. But don't panic if you can't use our online services for any reason – let us know and we'll send you a paper copy.

## Transfer time limits matter

If you're thinking about transferring your deferred LGPS pension to another provider, don't leave it too late. You would have to choose to transfer your pension **at least one year before your normal pension age (NPA)**. That's most likely your state retirement age, but some members have a protected NPA of age 60 or 65.

Always be aware of pension scams and don't make rash decisions during the pandemic. Fall foul of a scam and you could lose some or all of your money. See [pension-scams.com](https://www.pension-scams.com) or [fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart)

## Your LGPS pension is fully protected

When the news reports instability in the world of stock and bond markets it's reassuring to know that your pension is fully protected and unaffected by market changes. We are part of the LGPS, the Local Government Pension Scheme, which is a **defined benefit** scheme in which benefits are set out in law and therefore fully protected from the impact of short-term market instability. Like all LGPS pension funds we are diversified long-term investors, securely managed to protect our members' pensions from short-term fluctuations in market values. You can be assured that your deferred pension is safe and sound.







# Lincolnshire fund report 2022

## Introduction by Jo Ray, Head of Pensions, LPF

At the end of 2021/22, the value of the fund was £3.0 billion\* – an increase of £283.7 million from the previous year, continuing the strong returns seen in the previous year.

As for most people, we continued working from home for most of the year and eased into a hybrid style in early 2022. Our Pensions Committee began meeting in person again from May 2021, as the regulations allowing virtual council meetings ended. Some asset changes were implemented over the year, with investment into a residential property fund managed by Allianz, and transitioning assets from our multi asset credit manager, Pimco, to the Border to Coast Multi Asset Credit Fund as that went live. Our shared service administration provider, West Yorkshire Pension Fund (WYPF), also maintained its usual level of service as staff continued to work from home. The Lincolnshire Pension Board, representing scheme employers and members, also moved back to in-person meetings, and continued its role in overseeing the governance and administration of the fund. An annual report on the work of the board is included within the full pension fund annual report, and a statement from the chair of the board is included below.

The government's requirement for local government pension funds to pool assets has continued to keep us very busy, with Lincolnshire working closely with the ten partner funds within Border to Coast Pensions Partnership Ltd. The company has continued to grow as the partner funds have transferred assets, with £28.6bn of assets under management

as at 31 March 2022, including £1.56bn of the Lincolnshire Pension Fund's assets.

Stewardship and responsible investment are an integral part of the fund's investment strategy and decision making, and the fund works closely with Border to Coast to ensure that it invests in a sustainable way. Through Border to Coast, and also in its membership with the Local Authority Pension Fund Forum (LAPFF), the fund engages with companies on key environmental, social and governance issues, such as carbon reduction, executive pay, human rights and fair accounting. We were successful in meeting the requirements of the Financial Reporting Council (FRC) in submitting our **Stewardship Code Statement** for 2020/21, which can be found on our shared website.

The fund is always keen to hear its members' views on stewardship and responsible investment, so please contact us at [pensions@lincolnshire.gov.uk](mailto:pensions@lincolnshire.gov.uk) with any comments you may have. Please note, this email address is **not** for pension benefit queries – please use the normal contact email address of [pensions@wypf.org.uk](mailto:pensions@wypf.org.uk)

This summary gives a flavour of our full Annual Report and Accounts, which will be published on our shared website at [www.wpf.org.uk](http://www.wpf.org.uk). Please do take a look, and let me have any feedback.

*\*At the time of writing, figures are in draft, due to the late receipt of valuations from some of the fund's illiquid investments.*

# Fund account

Draft fund account for the year ended 31 March 2022

<b>Opening assets of the fund at 1 April 2021</b>	<b>£2,777.5m</b>
Investment return and income	
• Return on investments	£256.5m
• Investment income	£8.4m
Dealing with members	
• Benefits paid	(£107.6m)
• Contributions (including transfers in of £10.6m)	£128.6m
Management expenses (including administration, manager fees and governance)	(£14.2m)
<b>Closing net assets of the fund at 31 March 2022</b>	<b>£3,049.2m</b>
Closing assets made up of	
• Total net investments	£3,032.5m
• Net current assets (debtors, creditors and cash)	£16.7m
<b>Total closing assets of Lincolnshire Pension Fund at 31 March 2022</b>	<b>£3,049.2m</b>

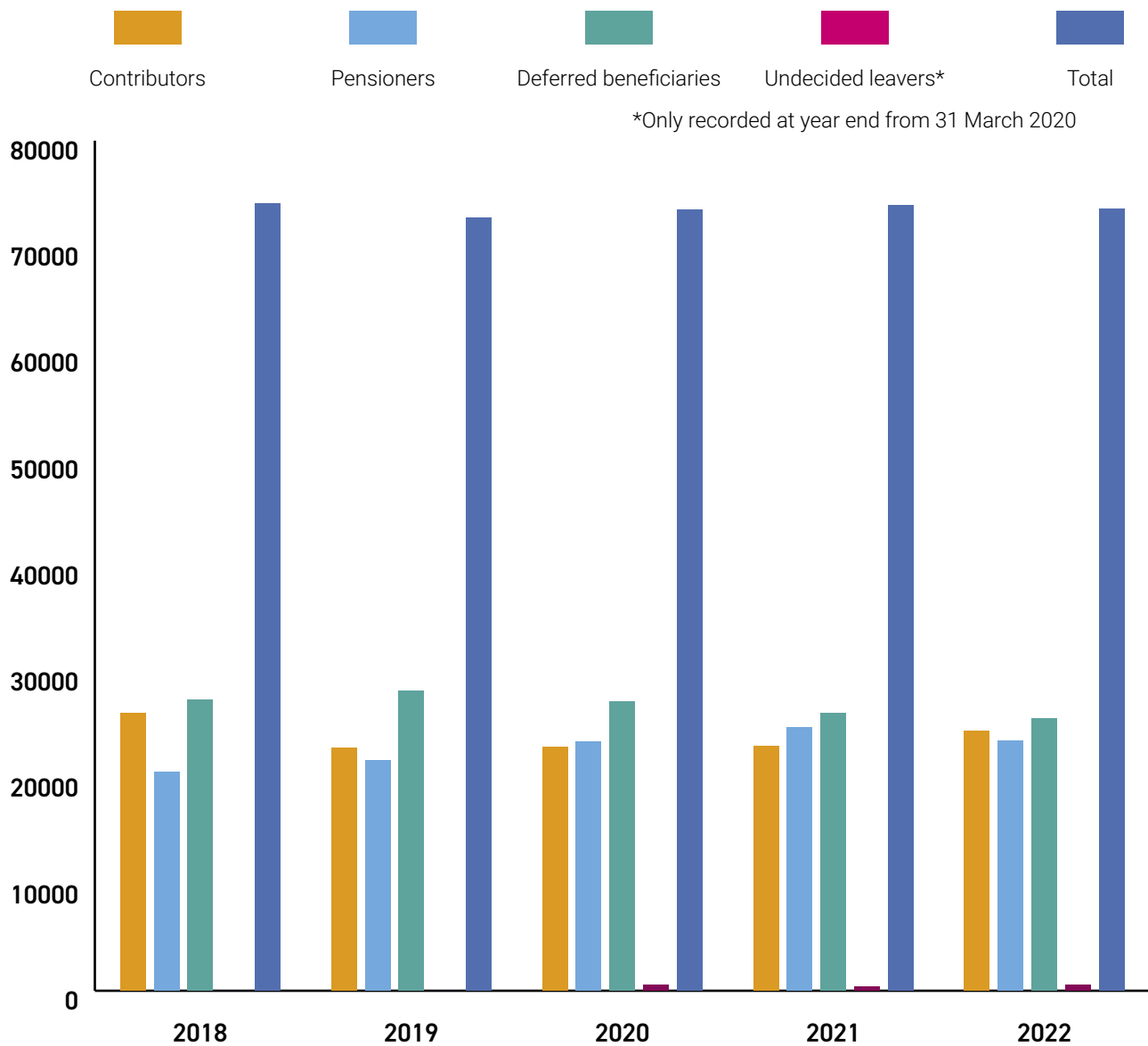
## Ten biggest investments in the fund at 31 March 2022

	Market Value £m	Proportion of fund %
Border to Coast Global Equity Alpha Fund	743.2	24.4%
Border to Coast UK Listed Equity Fund	477.8	15.7%
Legal and General Future World Fund	464.0	15.2%
Morgan Stanley Alternative Investments	445.6	14.6%
Border to Coast Investment Grade Credit Fund	204.9	6.7%
Border to Coast Multi-Asset Credit Fund	138.2	4.5%
Aberdeen Standard Property Fund	83.3	2.7%
Blackrock Aquila Corporate Bond Fund	75.4	2.5%
Blackrock Property Fund	47.7	1.6%
Blackrock Aquila Life >5 Year ILG Fund	44.7	1.5%
	<b>2,724.8</b>	<b>89.4%</b>

# LGPS membership

There were 73,608 members and beneficiaries (plus 532 undecided leavers) and 260 contributing employers at 31 March 2022. The fund is reasonably mature, with pensioner and deferred members (those no longer in the scheme but will be entitled to a pension at some point in the future) making up 66.8% of the overall membership.

## Membership trends over a five-year period



## Performance

Our **investment return** was 10.7% in 2021/22, ahead of the return for the fund's strategic benchmark of 9.4%. Market returns recovered strongly over the year, bouncing back from the lows of March 2020, with the biggest impact being the out performance of the Border to Coast Global Equity Alpha Fund.

Actual investment performance against the fund's strategic benchmark performance is set out in the table below. The longer term return is well ahead of the long term required return of 4.0%, set by the fund's actuary (as per the March 2019 triennial valuation).

Period	Fund return	Benchmark return
1 year	10.7	9.4
3 years annualised	8.8	8.7
5 years annualised	7.5	7.4
10 years annualised	8.8	8.7

# Investment management arrangements

The fund invests in a number of asset classes by means of collective investment vehicles, also known as pooled funds.

## Pooled funds

Asset Class	Manager	Market value £m	% of the fund
<b>Fixed Interest</b>	Blackrock	150.3	4.9
	Border to Coast	204.9	6.7
	<b>Total Fixed Interest</b>	<b>355.2</b>	<b>11.6</b>
<b>UK Equities</b>	Border to Coast	477.8	15.7
<b>Global Equities</b>	Border to Coast	743.2	24.4
	Legal and General	464.0	15.2
	<b>Total Equities</b>	<b>1,685.0</b>	<b>55.3</b>
<b>Property</b>	Aberdeen Standard	97.3	3.2
	Allianz	5.3	0.2
	Aviva	34.2	1.1
	Blackrock	47.7	1.6
	Franklin Templeton	0.3	0.0
	Hearthstone	5.6	0.2
	Igloo	0.2	0.0
	Royal London	28.7	0.9
	Rreef	0.1	0.0
	<b>Total UK Property</b>	<b>219.4</b>	<b>7.2</b>
<b>Infrastructure</b>	Infracapital	12.5	0.4
	Innisfree	35.6	1.2
	Pantheon	11.2	0.4
	<b>Total Infrastructure</b>	<b>59.3</b>	<b>2.0</b>
<b>Private Equity</b>	Abrdn	1.2	0.0
	Capital Dynamics	0.6	0.0
	Pantheon	6.1	0.2
	<b>Total Private Equity (legacy)</b>	<b>7.9</b>	<b>0.2</b>
<b>Alternatives</b>	<b>Morgan Stanley</b>	<b>445.6</b>	<b>14.6</b>
<b>Multi Asset Credit</b>	<b>PIMCO</b>	<b>138.2</b>	<b>4.5</b>
<b>Total Pooled Vehicles</b>		<b>2,910.6</b>	<b>95.4</b>

# It's time to go online

Our online **My Pension** service is the fast way to view your pension record and your deferred pension statements

Register today at  
[www.wypf.org.uk/register](http://www.wypf.org.uk/register)

## Moving house?

If you move house, we need to know your new address – not only to keep your records up to date but to make sure personal or sensitive information going to your old address doesn't put you at risk of identity fraud. So when you move, please let us know your new address as soon as you can.

## TPR launches strategy to combat scams

The Pensions Regulator (TPR) has set out its strategy on 'how it will try to keep savers' money secure by educating savers on the risk of scams, encourage higher standards that prevent practices leading to saver harm, and fight fraudsters where they find them'. They want to prevent savers falling victim to scammers and will educate savers, encourage higher standards and fight fraud.

You can read more about this new strategy on the [TPR website](#).

*Published autumn 2022 by West Yorkshire Pension Fund. The information in this newsletter relates to LPF deferred members only and can't be treated as a statement of the law. Available in large type, Braille or in audio format on request.*

## Who gets your death grant?

A death grant is a one-off tax-free lump sum on top of any pension your husband, wife, partner or children would be due if you died. How much is paid depends when you left your job. If it was before 1 April 2008, we pay your deferred lump sum, including cost of living increases, as a death grant. Otherwise, we pay 5x your deferred annual pension. This may be different if you have active membership elsewhere in the LGPS.

If you haven't done it yet, you can [download a form](#) from our website.

## DATA PRIVACY

Read how we use your data at  
[www.wypf.org.uk/privacy](http://www.wypf.org.uk/privacy)

## Contact us

Phone **01274 434999**

Monday to Friday 8.45am  
to 4.30pm

Email [pensions@wypf.org.uk](mailto:pensions@wypf.org.uk)

Our postal address is  
PO Box 67 Bradford BD1 1UP

If you would like to call in person  
please email or phone first to  
book an appointment.

## Retirement courses 2022

If you're considering retirement soon, why not join Affinity Connect, our pre-retirement partner, for an informative [online retirement planning](#) session. Keeping your retirement plans on track is really important, it's always best to start planning early! This course is perfect for you if you are within three years of retirement and need more information about how to maximise retirement savings.

Workshops cover estate planning, managing change, income in retirement, state pension and other benefits, personal taxation, money management, budgeting in retirement, making your money last, wellbeing, lifestyle and more.

## Remaining 2022 dates

22 November	9:30am to 12:00pm
02 December	9:30am to 12:00pm
08 December	1:00pm to 3:30pm
14 December	9.30am to 12.00pm

Places are limited so grab yours now. **Check back for new dates coming in 2023.**

[Click here for more information and to book](#)

*These workshops provide information only and will not include or constitute financial advice.*