

Lancashire County Council

Lancashire Local Pension Board

**Tuesday, 11th April, 2017 at 2.00 pm in Room A05 - A Floor, County Hall,
Preston**

Agenda

Part I (Open to Press and Public)

No. Item

Part I (Open to Press and Public)

- 1. Apologies**
- 2. Disclosure of Pecuniary and Non-Pecuniary Interests**
- 3. Minutes of the Meeting held on 17th January 2017** (Pages 1 - 8)
To be confirmed, and signed by the Chair.
- 4. Programme of meetings 2017/18** (Pages 9 - 10)
- 5. Stewardship Update** (Pages 11 - 16)
- 6. Funding report of the Actuarial Valuation** (Pages 17 - 68)
- 7. Annual review of communication between Lancashire County Pension Fund, its employers and Scheme members.** (Pages 69 - 80)
- 8. Allocation of additional resources to the Head of Fund**
Oral report by the Head of Fund.
- 9. Cooperation between Pension Board and LPFA regarding future monitoring of LPP.**
Oral report by the Chair.
- 10. Workplan 2017/18** (Pages 81 - 84)
- 11. Feedback from Board Members on Recent Training Events and Conferences** (Pages 85 - 86)

- 12. Part I reports considered by the Pension Fund Committee in March.** (Pages 87 - 112)

13. Urgent Business

An item of urgent business may only be considered under this heading where, by reason of special circumstances to be recorded in the minutes, the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. Wherever possible, the Chief Executive should be given advance warning of any Member's intention to raise a matter under this heading.

14. Date of Next Meeting

The next scheduled meeting of the Board will be held at 2pm on Tuesday 4th July 2017 in Room A05 on 'A' Floor at County Hall, Preston.

15. Exclusion of Press and Public

The Board is asked to consider whether, under Section 100A(4) of the Local Government Act, 1972, it considers that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 12A to the Local Government Act, 1972, as indicated against the heading to the item.

Part II (Not Open to Press and Public)

- 16. Update on the Local Pension Partnership Administration Transformation Plan** (Pages 113 - 120)

- 17. Part II reports considered by the Pension Fund Committee in March** (Pages 121 - 122)

I Young
Director of Governance,
Finance and Public Services

County Hall
Preston

Lancashire Local Pension Board

Minutes of the Meeting held on Tuesday, 17th January, 2017 at 2.00 pm in Room A06 - A Floor, County Hall, Preston.

Present:

Chair

William Bourne

Committee Members

Steve Thompson, Employer rep - Unitary, City, Boroughs, Police and Fire

Carl Gibson, Employer rep - Other Employers

Kathryn Haigh, Scheme rep - Active Members

Bob Harvey, Scheme rep - Pensioner Members

Yvonne Moulton, Scheme rep - Active Members

John Hall, Scheme rep - Deferred Members

Officers

Abbi Leech, Head of Fund, Lancashire County Council.

Mike Neville, Senior Democratic Services Officer, Lancashire County Council.

1. Apologies

Apologies were presented on behalf of County Councillor Martin and Mr S Browne.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

No declarations of interest were made in relation to items on the agenda.

3. Minutes of the Meeting held on the 18th October 2016.

The Chair reported that following his letter to the Chief Executive consideration was being given to the allocation of additional resources to the Head of Fund in relation to governance of the Fund and scrutiny of LPP. He added that as requested at the last meeting he had written to the Chair of the Pension Fund Committee who had responded by indicating his agreement that the Board's scrutiny role should be developed in the future following the review of governance arrangements.

A request was made for members of the Pension Board to have sight of the report considered by the County Councils Employment Committee in relation to the proposed LPP Pay Framework, Principles and Processes.

Resolved: That the Minutes of the meeting held on the 18th October 2016 are confirmed as an accurate record and signed by the Chair.

4. Report on the Lancashire Local Pension Board appraisal.

The Board considered the report from the Chair which summarised the main points which had come out of appraisal meetings held with the majority of members of the

Board. It was noted that the report included one typographical error where reference to the LPFA should read LCC.

Resolved: That the recommendations of the Board, as set out below, be referred to the Head of Fund for attention.

1. Training

That an attempt be made to customise future training to the particular needs of Board members and that in particular presenters be asked to be thoughtful about the hard copy material used.

2. Future operation of the Board

- a) That the Terms of Reference of the Board be reviewed and consideration given to the relevance of reports to be presented in the future.
- b) That more use be made of Working Parties to examine certain issues in detail and report back to the Board.
- c) That a Work Schedule for the Board up to January 2018 be created.
- d) That the Board formulate its concerns as comments when considering a report or a policy document before approval by the Pension Fund Committee, or alternatively as recommendations, which will require a response from the County Council under CIPFA guidelines, when considering a report or policy document after approval.

3. 2017 Agenda

- a) That a comprehensive governance structure covering LPP be implemented as a matter of priority, including the processes which the Pension Fund Committee and County Council are using to monitor and oversee LPP's activities.
- b) That time be allocated with the 2017 Work Plan to look at:
 - How the Fund can provide better support for employers and members
 - The planned restructuring of the Administration function, and how members of the Board can use their perspectives to feed into that.

5. Report of the Working Group on the Terms Reference of the Lancashire Local Pension Board.

The Chair presented the report and drew members attention to the proposed revised Terms of Reference for the Board which had been recommended by the Working Group established at the previous meeting. It was noted that the main changes related to the proposed review and scrutiny role of the Board and the inclusion of eleven bullet points taken from the LGC Guidance on the operation of Pension Boards.

Resolved: That the proposed revised Terms of Reference for the Board, as set out in the report presented, are approved and recommended to the Pension Fund Committee for approval.

6. Review of the Investment Strategy Statement

A report was presented regarding a decision taken by the Director of Governance, Finance and Public Services under the urgent business procedure in relation to the approval of an Investment Strategy Statement (ISS).

It was reported that the urgent business procedure had been used as new investment regulations had come into force on the 1st November 2016 and it was necessary to approve and publish the ISS by that date and the next scheduled meeting of the Committee would not be until the 2nd December 2016.

In considering the report the Board noted that the independent advisers to the Pension Fund Committee had been consulted on the final version of the ISS and had recommended it for approval.

Resolved: That the report is noted.

7. Work Plan for 2017/18

A report was presented regarding the proposed Work Plan for 2017/18.

In considering the report the Board suggested that specific reference should be made under 'Governance' to internal/external audit reports. It was also agreed that the references to the biannual review of the scheme risk register and the annual review of LPP should be expanded to provide more detail of areas to be covered.

It was also agreed that the scrutiny of annual documents and processes, including communications to employers and members, formal reports and internal/external reports would be the basis of regular reports to the Board.

It was noted that a similar Work Plan would be developed for the Pension Fund Committee.

Resolved:

1. That, subject to the amendments regarding internal/external audit and the scrutiny of documents/process as specified above, the Work Plan for 2017/18 is approved.
2. That work continue to develop the Work Plan for 2017/18, particularly in the light of any recommendations which arise from the PWC review of governance arrangements for the Fund.

8. Feedback from members on recent training events/conferences.

A report was presented on training events and conferences which members of the Board had been due to attend since the last meeting.

It was reported that the Local Pension Board and Officer Seminar at Liverpool on the 26th October 2016 had been cancelled. Some members of the Board reported that they had not been able to attend recent events due to work commitments though they would be available for future conferences. Those members who had attended the Workshop on Responsible Investment on the 25th November reported that they had found it to be informative and useful.

Kathryn Haigh informed the meeting that she had also attended the LGPS Pension Boards Seminar on the 28th November 2016 and gave the Head of Fund a copy of the information pack for incorporation into the Board induction pack.

Resolved: That the report and the updates given at the meeting are noted.

9. Part I reports considered by the Pension Fund Committee in December

The Board received a report on Part I items which had been presented to the Pension Fund Committee on the 2nd December, 2016.

With regard to the 2016 Actuarial Valuation of the Lancashire County Pension Fund it was noted that the Fund has no discretion to use the discount rate or assumptions used by the Government Actuarial Department in its Section 13 valuation but is legally obliged to use its own Actuary's figures.

It was also noted that Responsible Investment would be considered by a Working Group of the Pension Fund Committee as part of future discussions regarding the a review of the investment strategy.

Resolved: That the report is noted.

10. Urgent Business

The Chair informed the meeting that an additional report regarding a data security issue which had arisen in December and for which an internal investigation had only recently been completed would be presented for consideration under Part II of the agenda.

Resolved: That a report in relation to a data security issue for the Pension Administration Service be considered by the Board under Part II of the agenda as there would be a likely disclosure of exempt information as defined in Paragraphs 1 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

11. Date of Next Meeting

It was reported that the next scheduled meeting was due to be held on the 11th April 2017 in Cabinet Room 'B' - The Diamond Jubilee Room at County Hall, Preston.

Members of the Board asked that the meeting be moved to one of the rooms located on 'A' floor at County Hall which was felt to be more suitable.

Resolved: That the next meeting of the Board be held at 2pm on the 11th April, 2017 in Room A05 on 'A' Floor at County Hall, Preston.

12. Exclusion of Press and Public

Resolved: - That the press and members of the public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12A to the Local Government, 1972, indicated against the heading to the item. It was considered that in all the circumstances the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

13. Data security issue - Pension Administration Service.

(Not for publication – Exempt information as defined in Paragraphs 1 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all of the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information).

The Board considered a report regarding a data protection breach which had been brought to the attention of the Head of Fund since the last meeting. It was noted that the breach had been referred to the County Council's Information Governance Team who had reported the incident to the Information Commissioner and carried out a full investigation which had been concluded the day before the meeting.

It was noted that the County Council's Senior Information Risk Owner had reviewed the breach and concluded that it was not necessary to report it to the Pensions Regulator.

Resolved: That the report is noted.

14. Governance Structure

(Not for publication – Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all of the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information).

A report was presented on the draft recommendations from a review of the risk and governance arrangements for the Fund following the establishment of the Local Pensions Partnership. In considering the report members agreed that in future the Board should adopt a scrutiny role in relation to items highlighted in the risk assurance map once it had been finalised.

Resolved:

1. That the Board welcome the work done to date in relation to reviewing risk and governance arrangements for the Fund.
2. That the Board recognise that the draft risk register and risk assurance map will be the subject of further discussions at a Pension Fund Committee Workshop in February 2017.
3. That the Board be advised of the outcome of discussions at the Workshop in relation to finalising the risk register and risk assurance map before the next meeting.

15. Local Pension Partnership Administration Business Transformation Plan

Not for Publication – Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12 A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The Board noted the presentation made to the Pension Fund Committee meeting on the planned Administration Transformation Plan.

The Board welcomed the ambitious scope of the plan, but in view of its scale and the lack of details provided at this stage, and the importance of smooth administration to the efficient running of the Fund, were concerned that there be some independent assurance in place that the risks involved in making major changes to the administrative functions have been considered and mitigating measures put in place to manage them.

Resolved: That the Pension Fund Committee be recommended to consider instructing an independent party to review the LPP Administration Transformation Plan ahead of its implementation, and provide both the Board and themselves with appropriate assurances on this point.

16. Part II reports considered by the Pension Fund Committee in December

Not for Publication – Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12 A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The Board considered a report on Part II reports which had been presented to the Pension Fund Committee at its meeting on the 2nd December 2016.

Resolved: That the report be noted.

I Young
Director of Governance, Finance and

Public Services

County Hall
Preston

Lancashire Local Pension Board

Meeting to be held on Tuesday, 11 April 2017

Electoral Division affected: None

Programme of Meetings 2017/18.

Contact for further information: Mike Neville (01772) 534261, Legal and Democratic Services mike.neville@lancashire.gov.uk

Executive Summary

A proposed programme of meetings for the Board in 2017/18.

Recommendation

That the 2017/18 programme of meetings for the Lancashire Local Pension Board, as set out in the report, is approved.

Background and Advice

As the April meeting of the Board is also the last scheduled meeting consideration has been given to potential dates for a programme of meetings up to the end of 2018.

Using the existing cycle of meetings as a starting point and after consulting with the Chair and Head of Fund the following proposed programme of meetings has been developed, with all meetings to start at 2pm.

Tuesday 4th July 2017 in Room A05 on A Floor, County Hall, Preston.

Tuesday 17th October 2017 in Room A05 on A Floor, County Hall, Preston.

Tuesday 23rd January 2018 in Room A07 on A Floor, County Hall, Preston.

Tuesday 24th April 2018 in Room A07 on A Floor, County Hall, Preston.

Tuesday 3rd July 2018 in Room A07 on A Floor, County Hall, Preston.

Tuesday 16th October 2018 in Room A07 on A Floor, County Hall, Preston.

Consultations

The Chair and Head of Fund. All members of the Board have previously been advised of the proposed dates.

Implications:

This item has the following implications, as indicated:

Risk management

Early approval of a programme of meetings for 2017/18 will enable the members of the Board to plan for and attend future meetings.

Local Government (Access to Information) Act 1985 **List of Background Papers**

Paper	Date	Contact/Tel
Programme of Lancashire Local Pension Board meetings during 2016/17	2016	Mike Neville, Democratic Services 01772 533431
Programme of LCC Committee meetings	15 th December 2016	Mike Neville, Democratic Services 01772 533431

Reason for inclusion in Part II, if appropriate
N/A

Lancashire Local Pension Board

Meeting to be held on Tuesday, 11 April 2017

Electoral Division affected: None

Stewardship Update

Contact for further information: Abigail Leech, (01772) 530808, Head of Fund,
Lancashire County Pension Fund abigail.leech@lancashire.gov.uk

Executive Summary

This report provides the Board with a brief update on stewardship matters.

Recommendation

The Board is recommended to note the matters outlined within the report.

Background and Advice

This report is for information and provides members of the Lancashire Local Pension Board with a brief update on two stewardship related matters;

1. Annual reporting against the Principles of Responsible Investment;
2. Statement of Compliance with the UK Stewardship Code.

1. Annual Reporting against the Principles of Responsible Investment

Lancashire County Pension Fund (LCPF) became a signatory to the UN-backed Principles of Responsible Investment early in March 2015.

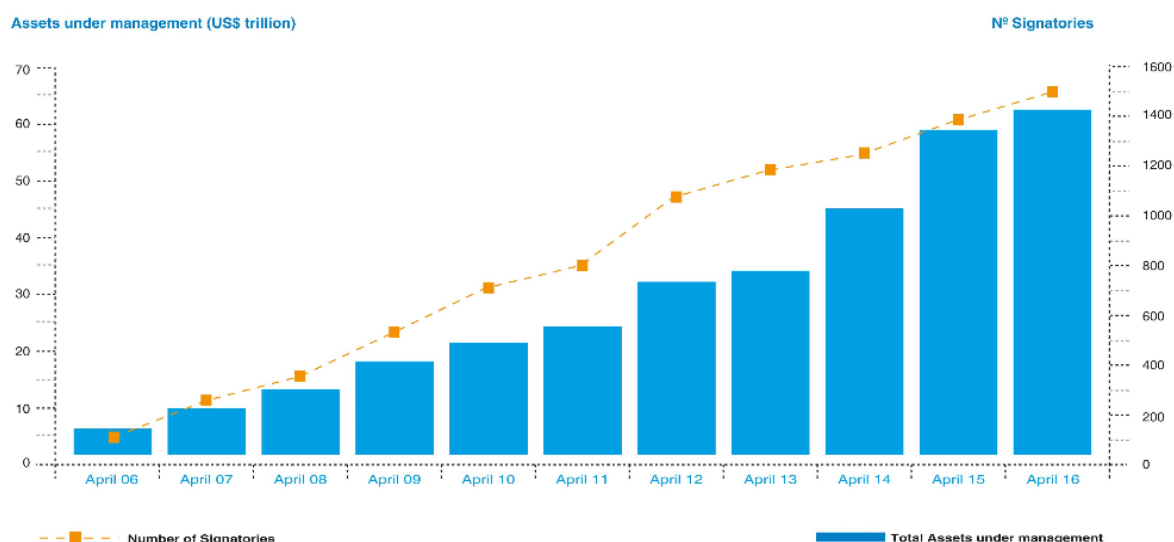
The decision to become an Asset Owner signatory marked the Fund's commitment to implementing a set of aspirational investment principles for incorporating environmental, social, and corporate governance (ESG) issues into investment practice in line with the following PRI Signatories' Commitment:

"As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that ESG issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

- Principle1 We will incorporate ESG issues into investment analysis and decision-making processes;

Principle2	We will be active owners and incorporate ESG issues into our ownership policies and practices;
Principle3	We will seek appropriate disclosure on ESG issues by the entities in which we invest;
Principle4	We will promote acceptance and implementation of the Principles within the investment industry;
Principle5	We will work together to enhance our effectiveness in implementing the Principles;
Principle6	We will each report on our activities and progress towards implementing the Principles.

In the ten years since the PRI was launched the number of asset owner and asset manager signatories has grown steadily reflecting a conviction ESG considerations are material to investment decision-making is becoming significantly more widespread and mainstream. There are now nearly 1,600 signatories from over 50 countries, cumulatively representing assets of US\$62 trillion.



Each PRI signatory commits to publicly reporting their progress in implementing the Principles on an annual basis, the annual reporting deadline being 31 March.

The outcome of the reporting process is a "Transparency Report" specific to each signatory which is made publicly available from the PRI website. Transparency Reports contain the signatory's responses to all completed indicators other than those set as private on the basis of confidentiality. Each signatory separately receives a Private Report containing their responses to all indicators and a confidential Assessment Report which confirms the PRI's scoring of their efforts against an underlying assessment methodology and their position relative to their peer group.

The reporting framework and assessment process are designed to provide feedback, to support ongoing learning and development, and to maintain an underlying impetus for demonstrating continuing progress whatever the stage of maturity as a PRI

signatory. Signatories are not aiming for a single formulaic view of perfection but an approach and processes matched to their underlying purpose and local investment beliefs. It is recognised that signatories will be at varying stages and will have different methods for making progress and seeking to evolve their approach.

LCPF has not previously been required to report against the PRI framework (there being a grace period for the first 12 months of being a signatory). LCPF's first reporting year is 2017 and during February and March 2017 considerable work has gone into responding to a detailed array of indicators designed to capture the Fund's overall approach and specific efforts and activities undertaken during the 12 months to 31st December 2016. It has been a particular priority to explain the Fund's relationship with the Local Pensions Partnership and the division of responsibility for setting policy, implementing procedures and delivering and monitoring performance.

Reporting against the framework is undertaken entirely online and has been overseen by the Responsible Investment Manager (Local Pensions Partnership Investments Ltd) drawing information from the Investment Team, wider LPP and a broader network of agents and suppliers. The Fund's full return was reviewed by the LPP Stewardship Committee before the detailed Private Report was shared for review and sign off by the Head of Fund in consultation with the Chair of the Pension Fund Committee.

Following submission online, the Fund's response will be assessed by the PRI and any questions followed up before LCPF's "Transparency Report" is made publicly available via the PRI website and its Assessment Report is made available privately. We are advised by the PRI that both events are likely to happen during June 2017.

This first experience of reporting as a signatory to the PRI has shown the process to be very detailed and to require considerable time and effort to complete. The requirement to both explain underlying arrangements and provide detail on specific examples of activity is particularly onerous first time around but dedicating adequate time and attention to reporting was essential for creating an accurate account at what remains a formative stage for the Local Pensions Partnership, especially since the overview received by the public will be a composite of responses to more than 60 individual indicators.

The Pension Fund Committee will receive a copy of the draft Private Report for information at their next meeting (unless the final version of the Transparency Report and the Assessment Report are released by the PRI in the interim). The report to the Committee will draw out some specific learning points from the experience of working through the detailed reporting framework. It will briefly highlight the areas which were most difficult to report against and where some action might be appropriate to improve the comprehensiveness of the next annual return (helping to demonstrate progress in line with the Fund's commitment as a signatory).

The PRI reporting process is an important milestone for the Fund because a commitment to the 6 principles forms an important plank of LCPF's approach to Responsible Investment as set out within its Investment Strategy Statement published in October 2016. A further key plank is adherence to the principles of the UK Stewardship Code. Taken together these two external standards provide an

objective framework for the delivery of the Fund's expectations in relation to the stewardship of Fund assets and help to shape the processes for monitoring and reporting against them.

2. Statement of Compliance with the UK Stewardship Code

An updated Statement of Compliance with the Stewardship Code currently remains under drafting. The level of work connected with reporting comprehensively against the PRI framework by the 31st March deadline is the cause of the delay.

A revised statement is required for two reasons;

- to reflect the practical and regulatory changes which have accompanied the establishment of the Local Pensions Partnership and the transition to assets under pooled management arrangements
- the introduction of "tiering" by the FRC to encourage greater detail and transparency of disclosure

Under the new approach, signatories to the Code are tiered according to the quality of the reporting in their statements based on the seven principles of the Code and the supporting guidance. Asset managers are categorised into one of three tiers and asset owners and other signatories into either Tier 1 or Tier 2.

Tier 1

Signatories provide a good quality and transparent description of their approach to stewardship and explanations of an alternative approach where necessary.

Tier 2

Signatories meet many of the reporting expectations but report less transparently on their approach to stewardship or do not provide explanations where they depart from provisions of the Code.

Tier 3

Significant reporting improvements need to be made to ensure the approach is more transparent. Signatories have not engaged with the process of improving their statements and their statements continue to be generic and provide no, or poor, explanations where they depart from provisions of the Code.

Once a revised statement has been drafted it will be shared with the Head of Fund and Chair of the Pension Fund Committee and Board members for comments and approval before being submitted to the Financial Reporting Council (FRC) for assessment.

It is important to stress that what is outstanding is a statement of how the Fund is complying with the Stewardship Code. The arrangements in place for managing the Fund's assets in line with the fiduciary responsibilities owed to scheme members and beneficiaries are fully compliant with the principles of the Stewardship Code.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The report addresses the Administering Authority's fiduciary responsibility for implementing arrangements which secure the prudent stewardship of pension fund assets in protection of the long term best interests of fund members and beneficiaries.

The stewardship arrangements described form part of the Fund's commitment to Responsible Investment, the objective of which is to decrease investor risk and improve risk-adjusted returns.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Tel
N/A	N/A	N/A

Reason for inclusion in Part II, if appropriate

N/A

Lancashire Local Pension Board

Meeting to be held on Tuesday, 11 April 2017

Electoral Division affected: None;

Funding report on the actuarial valuation

(Appendix A refers)

Contact for further information: Abigail Leech, (01772) 530808, Head of Fund,
abigail.leech@lancashire.gov.uk

Executive Summary

This report sets out the Actuary's final funding report on the actuarial valuation.

Recommendation

The Board are asked to note the details in this report.

Background and Advice

The report set out at Appendix 'A' is the Actuary's final funding report on the 2016 actuarial valuation. It is provided to meet the requirements of Regulation 62 of the Local Government Scheme Regulations 2013 (as amended). It describes the factors considered by the Administering Authority when carrying out the actuarial valuation as at 31 March 2016 and the decisions reached as a result.

The report sets the key elements of the Funding Strategy Statement as approved by the Pension Fund Committee at its meeting on 17 March 2017.

Consultations

Mercer, Actuarial advisors to the Pension Fund.

Implications:

This item has the following implications, as indicated:

Risk management

Legal

The funding report is produced to comply Regulation 62 of the Local Government Scheme Regulations 2013 (as amended).

Local Government (Access to Information) Act 1985
List of Background Papers

Paper	Date	Contact/Tel
Funding Strategy Statement	17 March 2017	Abigail Leech (30808)



FUNDING REPORT OF THE ACTUARIAL VALUATION

LANCASHIRE COUNTY PENSION FUND

AS AT 31 MARCH 2016

CONTENTS

1. Introduction	1
2. Funding Strategy – Key Elements	2
3. Key results of the funding assessment	3
• Solvency funding position	3
• Primary contribution rate	4
• Correcting the shortfall – secondary contribution rate	4
4. Experience since last valuation	5
• Summary of key inter-valuation experience	5
• Reasons for the change in funding position since the last actuarial valuation	6
5. Cash flows, risks and alternative funding positions	7
• Benefit cash flows	7
• Projected funding position at next actuarial valuation	8
• Material risks faced by the Fund	8
• Sensitivity of funding position to changes in key assumptions	8
• Minimum risk funding position	9

APPENDICES

A. Assumptions	11
• How the benefits are valued	11
• Financial assumptions used to calculate the funding target	12
• Demographic assumptions used	12
• Assumptions used to calculate the primary contribution rate	15
B. Summary membership data	17
C. Assets	18
D. Scheme benefits	20
E. Summary of income and expenditure	21
F. Analysis of membership experience	22
G. Rates and adjustments certificate issued in accordance with Regulation 62	23
• Primary contribution rate	23
• Secondary contribution rate	23
• Contribution amounts payable	23
• Further adjustments	23
• Regulation 62(8)	24
H. Schedule to the rates and adjustments certificate dated 31 March 2017	25
I. Glossary	44

1

INTRODUCTION

This report is addressed to the Administering Authority of the Lancashire County Pension Fund (“the Administering Authority”) and is provided to meet the requirements of Regulation 62 of the Local Government Scheme Regulations 2013 (as amended) (“the Regulations”). It describes the factors considered by the Administering Authority when carrying out the actuarial valuation as at 31 March 2016 and the decisions reached as a result.

The purpose of the actuarial valuation is for the Administering Authority to determine:

- The expected cost of providing the benefits built up by members at the valuation date (the “liabilities”), and compare this against the funds held by the Fund (the “assets”).
- The contributions needed to cover the cost of the benefits that active members will build up in the future and other costs incurred in running the Fund (the ‘Primary Contribution Rate’).
- An appropriate plan for making up the shortfall if the Fund has less assets than liabilities. This plan will cover the amounts which will need to be paid (the ‘Secondary Contribution Rate’) and the timeframe over which they will be paid (‘the Recovery Period’).

SIGNATURE

NAME

John Livesey

QUALIFICATION

Fellow of the Institute and
Faculty of Actuaries

DATE

31 March 2017


This report uses various technical terms. These are explained in more detail in the explanatory boxes which appear throughout this report, and in the Glossary at Appendix I.

This report has been prepared in accordance with the version of the *Pensions Technical Actuarial Standard* current at the date this report is signed. It also complies with the relevant requirements of *Technical Actuarial Standards R: Reporting Actuarial Information*, *D: Data* and *M: Modelling*, where they apply to this report. These Standards are all issued by the Financial Reporting Council. The calculations referred to in the report use methods and assumptions appropriate for reviewing the financial position of the Fund and determining a contribution rate for the future. Mercer does not accept liability to any third party in respect of this report; nor do we accept liability to the Administering Authority if the information provided in this report is used for any purpose other than that stated. The report may be disclosed to members and others who have a statutory right to see it. It may also be disclosed to any participating employer and, if the Administering Authority and Mercer consent, it may be disclosed to other third parties.

2

FUNDING STRATEGY – KEY ELEMENTS

Fundamental to the valuation results is the funding strategy adopted by the Fund. This funding strategy is set out in a specific document (the Funding Strategy Statement or FSS for short) which is one of the Administering Authority's key governance documents for the Fund. In essence, the FSS sets out an overview of the approach to be used for the actuarial valuation. Amongst other things it outlines the assumptions, both economic and demographic, to be used in calculating the value of the liabilities built up and the contributions required to correct any funding shortfall, and the contribution rate required to fund the benefits for future service. It also sets out the strategy for making good any funding shortfall, in particular how any shortfall is expected to be financed in terms of the balance between future contributions and future investment returns, and the period over which any shortfall is expected to be recovered.



The FSS is the Administering Authority's key governance document in relation to the actuarial valuation. It sets out the funding policies adopted, the actuarial assumptions used, and the timescales over which deficits will be paid off. Employers are consulted about the FSS as part of the actuarial valuation process.

The principal elements of the funding strategy adopted for this actuarial valuation are as follows:

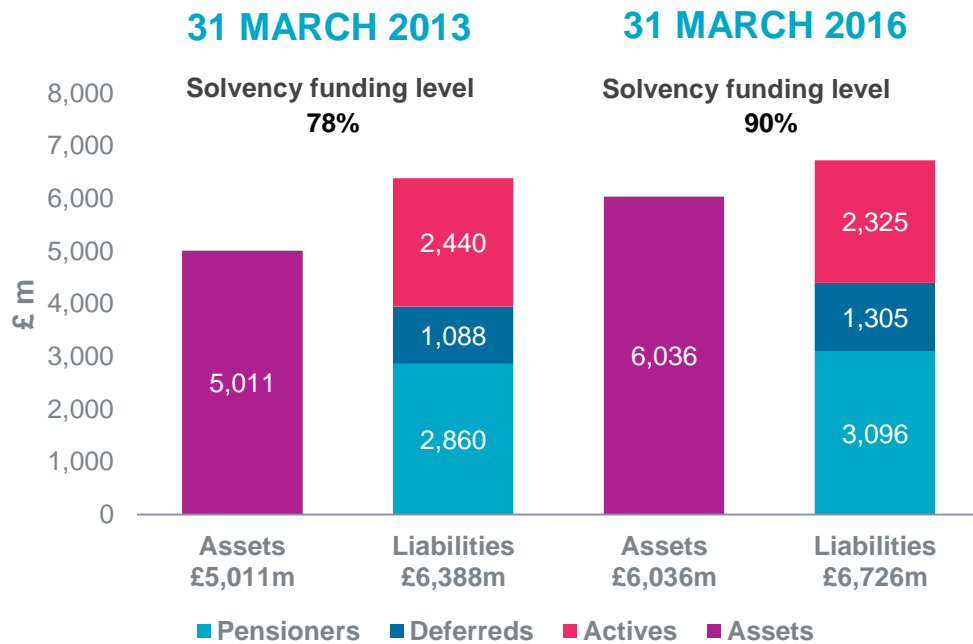
- Assumed rate of future CPI inflation – 2.2% p.a., based on the yields available on gilts and index-linked gilts of appropriate duration less an adjustment of 1% p.a. to allow for the difference between market-implied future RPI and estimated future CPI inflation.
- Real investment returns over and above CPI for past service – 2.2% p.a., based on the anticipated real returns achievable on the Fund's expected long-term investment strategy with a suitable margin for prudence.
- Real investment returns over and above CPI for future service – 2.75% p.a., based on the anticipated real returns achievable on future invested contributions.
- Future pay growth – 1% p.a. over the 4 years to April 2020, taking into account the government's policy on pay restraint in the public sector, and then 1.5% p.a. over and above CPI in the longer term.
- Baseline life expectancy based on a scheme-specific mortality study.
- Future mortality improvements based on the CMI 2015 model with a long-term improvement trend of 1.5% p.a.
- An average recovery period for making good any shortfall of approximately 16 years. The FSS sets out the circumstances in which this might vary from one employer to another.

3

KEY RESULTS OF THE FUNDING ASSESSMENT

SOLVENCY FUNDING POSITION

The table below compares the assets and liabilities of the Fund at 31 March 2016. Figures are also shown for the last valuation as at 31 March 2013 for comparison.



The liability value at 31 March 2016 shown in the table above is known as the Fund's "solvency funding target". The solvency funding target is calculated using assumptions that the Administering Authority has determined are appropriate having consulted with the actuary, and are also set out in the Administering Authority's Funding Strategy Statement (FSS).

The chart shows that at 31 March 2016 there was a shortfall of £690m against the Fund's solvency funding target. An alternative way of expressing the position is that the Fund's assets were sufficient to cover 90% of its liabilities – this percentage is known as the solvency funding level of the Fund.

At the previous valuation at 31 March 2013 the shortfall was £1,377m, equivalent to a solvency funding level of 78%. The key reasons for the changes between the two valuations are considered in Section 4.

Further details of the way in which the solvency funding target has been calculated are set out in Appendix A.

The LGPS Regulations require the contributions to be set so as to secure the Fund's solvency and long-term cost efficiency. In this context solvency means being able to meet the liabilities as and when they arise, with long-term cost efficiency meaning that contribution levels should not be set so as to give rise to additional costs at a later date. In practice, contribution levels have been set so as to target a solvency funding level of 100%, based on the funding parameters outlined in Section 2 above.

PRIMARY CONTRIBUTION RATE

The valuation looks at the normal employer contribution rate required to cover the cost of the benefits (including death benefits and expenses) that will be built up over the year after the valuation date (the “Primary Contribution Rate”). A summary of the assumptions used is provided in Appendix A.

The table below gives a breakdown of the Primary Contribution Rate at 31 March 2016 and also shows the corresponding rate at 31 March 2013 for comparison. In calculating the average Primary Contribution Rate in 2016 we have not made any allowance for future members to opt for the 50:50 scheme.

Active members pay contributions to the Fund as a condition of membership in line with the rates required under the governing Regulations (see Appendix D).


PRIMARY CONTRIBUTION RATE*	% of Pensionable Pay	
	31 March 2016	31 March 2013
Normal Contribution rate for retirement and death benefits	20.8	19.1
Allowance for administrative expenses	0.5	0.4
Total normal contribution rate	21.3	19.5
Average member contribution rate	6.4	6.4
Primary contribution rate*	14.9	13.1

** In line with updated CIPFA guidance, the 2016 Primary Contribution Rate is the weighted average of the individual employer Primary Contribution Rates as derived based on their individual circumstances (e.g. whether or not they are closed to new entrants).*


CORRECTING THE SHORTFALL – SECONDARY CONTRIBUTION RATE

The funding objective as set out in the FSS is to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall (or contribution reductions to refund any surplus).

The FSS sets out the process for determining the recovery plan in respect of each employer. At this actuarial valuation the average deficit recovery period adopted is approximately 16 years, and the total initial recovery payment (the “Secondary rate” for 2017/18) is approximately £41.5m per annum in £ terms (which also includes allowance for some employers to phase in any increases).



The “Primary rate” of the employers’ contribution is the contribution rate required to meet the cost of the future accrual of benefits including ancillary, death in service and ill health benefits together with administration costs.



The “Secondary rate” of the employers’ contribution is an adjustment to the Primary rate to reflect any past service deficit or surplus, to arrive at the rate the employers are required to pay.

4

EXPERIENCE SINCE LAST VALUATION

SUMMARY OF KEY INTER-VALUATION EXPERIENCE

The last actuarial valuation was carried out with an effective date of 31 March 2013. With effect from 1 April 2014 the scheme's benefit structure changed from a Final Salary Scheme to a Career Average Revalued Earnings (CARE) Scheme, and the 2013 actuarial valuation took these changes into account.

The average Pensionable Salary increase for the Fund members who were in service for the whole of the inter-valuation period was 2.1% per annum.

Pensions in payment (in excess of Guaranteed Minimum Pensions (GMPs) were increased as guaranteed under the Fund as follows:

- April 2014 2.7%
- April 2015 1.2%
- April 2016 0%

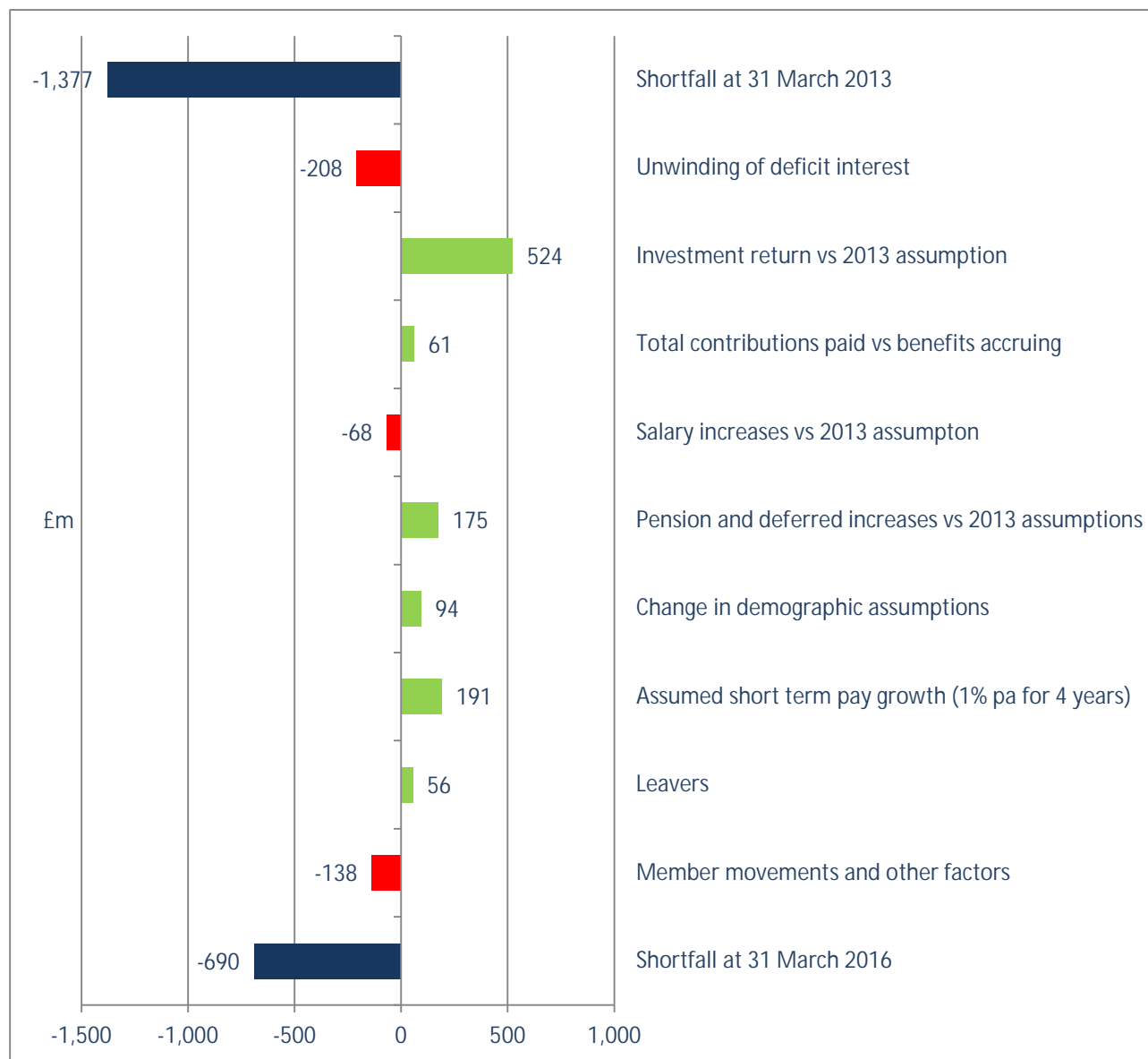
Over the intervaluation period, benefit inflation has averaged 1.3% p.a. Over the three years to 31 March 2016 the gross investment return on the Fund's assets has averaged 7.9% per annum, meaning that the average real return has been about 6.6% p.a.



The outcomes from the valuation are determined both by the assumptions adopted for the future, and the Fund's historic experience relative to assumptions made in the past. In this section we consider the effect of the Fund's experience over the last three years.

REASONS FOR THE CHANGE IN FUNDING POSITION SINCE THE LAST ACTUARIAL VALUATION

The shortfall at the last valuation date was £1,377m. The chart below sets out the main reasons for the change in the shortfall between 31 March 2013 and 31 March 2016.



5

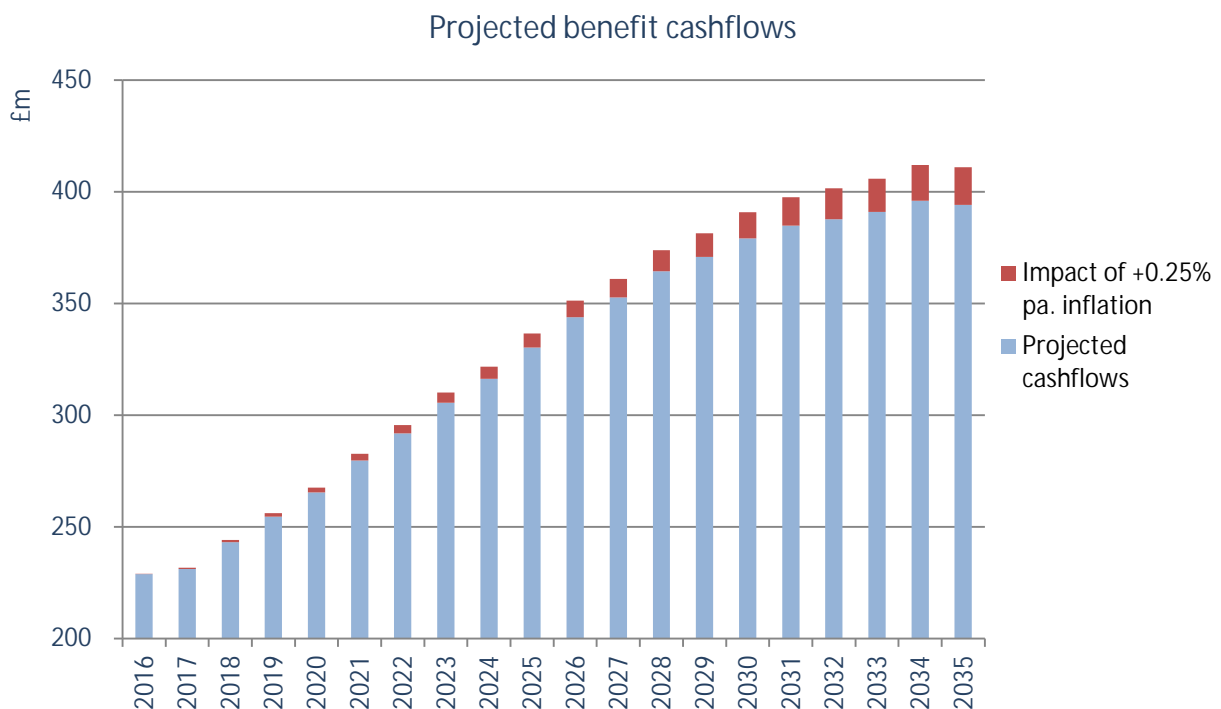
CASH FLOWS, RISKS AND ALTERNATIVE FUNDING POSITIONS



BENEFIT CASH FLOWS

The projected benefit cash flows which result from applying the past service assumptions as set out in Section 2 are shown in the chart below. The additional red elements sets out how those projected benefit cash flows would change if we were to assume inflation of 0.25% p.a. higher than the assumption of 2.2% p.a. used for the actuarial valuation. Over the 20 years following the valuation date, the extra benefit payments which would result from the extra 0.25% p.a. inflation assumption are projected to be £150m.

The actuarial valuation process is principally concerned with projecting all the benefit cash flows into the future, and then converting them into current day values by discounting them to allow for assumed future investment returns. The chart shows those projected cash flows, and also illustrates how sensitive they are to the future inflation assumption.



PROJECTED FUNDING POSITION AT NEXT ACTUARIAL VALUATION

As part of this valuation, the Administering Authority has set an average recovery plan to pay off the shortfall of approximately 16 years. The next actuarial valuation will take place with an effective date of 31 March 2019. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the agreed rates or amounts, the shortfall at 31 March 2019 would be £646m, equivalent to a funding level of 91%.

MATERIAL RISKS FACED BY THE FUND

The Fund is subject to some potentially material risks that are, to an extent, outside the Administering Authority's control, but could affect the funding level. Any material worsening of the funding level will mean more contributions are needed (either at an increased rate or at the same rate over a longer period) to be able to provide the benefits built up in the Fund – unless experience acts in other ways to improve the funding level. Examples of such risks, and how the Administering Authority manages them, are:

- If an Employer becomes unable to pay contributions or to make good deficits in the future, the Fund's assets will be lower than expected and the funding level will be worse than expected. The Administering Authority regularly monitors the financial strength of the Employers so that actions can be taken to mitigate (but not fully remove) the risk.
- If future investment returns on assets are lower than assumed in the valuation, the Fund's assets will be lower, and the funding level worse, than expected. The Administering Authority has a process in place to monitor investment performance quarterly, and it reviews the Fund's investment strategy alongside each actuarial valuation.
- If improvements in life expectancy are greater than assumed, the cost of benefits will increase because members are living longer than expected. This will mean the funding level will be worse than expected. The Administering Authority regularly reviews the Fund's experience and ensures that the assumptions it makes about members' life expectancy take the most recent information available into account.
- If members make decisions about their options which increase the Fund's liabilities, the funding level will be worse than expected. An example would be if members commute less possible pension for cash, than is being assumed. The Administering Authority reviews the Fund's experience at each valuation to ensure that their treatment of member options remains appropriate.

SENSITIVITY OF FUNDING POSITION TO CHANGES IN KEY ASSUMPTIONS

The value placed on the Fund's liabilities is critically dependent on the assumptions used to carry out the calculations. If future experience differs from the assumptions the Administering Authority has used after consulting with the Employers, then the projected future funding level will be different from the level described above.

To illustrate how sensitive the funding level is to experience being different from assumed, the table below shows how the valuation results at 31 March 2016 would have differed given small changes in the key assumptions.

ASSUMPTION CHANGE	CHANGE IN SHORTFALL AT 31 MARCH 2016 (£M)	RESULTANT SHORTFALL AT 31 MARCH 2016 (£M)
Original solvency funding position	-	690
Real investment return 0.25% lower than assumed	297	987
Pensionable Salary growth 0.25% higher than assumed	51	741
Members live one year longer than assumed	160	850
Growth assets fall by 25%	1,119	1,809

MINIMUM RISK FUNDING POSITION

In assessing the value of the Fund's liabilities (the funding target), allowance has been made for investment returns as described in Appendix A, taking into account the investment strategy adopted by the Fund, as set out in the Fund's Investment Strategy Statement (ISS).

It is not possible to construct a portfolio of investments which produces a stream of income exactly matching the expected liability outgo. However, it is possible to construct a portfolio which closely matches the liabilities and represents the minimum risk investment position. Such a portfolio would consist mainly of a mixture of long-term index-linked and fixed interest gilts. Investment of the Fund's assets in line with the least risk portfolio would minimise fluctuations in the Fund's ongoing funding level between successive actuarial valuations.

If, at the valuation date, the Fund had been invested in this portfolio, then in carrying out the valuation it would not be appropriate to make any allowance for out-performance of the Fund investments. In this event the value of the liabilities would have increased substantially, to £10,249m, and the funding level would have reduced correspondingly to 59%. If the actuarial assumptions are borne out in practice, the projected funding level on this basis at the next actuarial valuation would be slightly lower at 57%.

The value of the liabilities on the solvency funding target assumptions was £6,726m, which is £3,523m less than the value on the minimum risk basis. The funding plan is therefore making allowance for future investment returns of £3,523m over and above those available from the minimum risk investment portfolio.

APPENDICES

A

ASSUMPTIONS

HOW THE BENEFITS ARE VALUED

In order to calculate the liabilities, there is a need to make assumptions about various factors that affect the cost of the benefits provided by the Fund – for example, how long members will live, or the future level of inflation. The table below explains the key assumptions being made in the valuation.

ASSUMPTION	WHY IT IS IMPORTANT AND HOW IT IMPACTS ON THE LIABILITIES
Discount rate	<p>The majority of benefits in a pension fund are paid many years in the future. In the period before the benefits are paid, the Administering Authority invest the funds held by the fund with the aim of achieving a return on those funds. When calculating how much money is needed now to make these benefit payments, it is appropriate to make allowance for the investment return that is expected to be earned on these funds. This is known as “discounting”.</p> <p>The higher the investment return achieved, the less money needs to be set aside now to pay for benefits. The calculation reflects this by placing a lower value on the liabilities if the “discount rate” is higher.</p>
Inflation	<p>Pensions in payment increase in line with price inflation. Salary growth is also normally linked to price inflation in the long term. A higher inflation assumption will, all other things being equal, lead to a higher value being placed on the liabilities.</p>
Pensionable Salary growth	<p>Benefits earned prior to 1 April 2014 for active members are based on their salaries immediately before retirement, so it is necessary to make an assumption about future Pensionable Salary growth. The higher this assumption, the higher the value placed on the liabilities for active members.</p>
Life expectancy	<p>Pensions are paid while the member (and potentially their spouse or partner) is alive. The longer people live, the greater is the cost of providing a pension. Allowing for longer life expectancy therefore increases the liabilities.</p>

The liabilities of the Fund are calculated projecting forward all of the future benefit cash flows and discounting them back to the effective date of the valuation, using these assumptions. For example, the liability for a single pensioner is calculated by estimating the amount of each pension payment they will receive in the future, multiplying by the probability that the member will still be alive by the date of each payment, and then discounting each payment back to the effective date of the valuation; and then summing up all of these discounted amounts. The liabilities for the whole Fund are calculated by summing the liabilities for each of the individual members.

FINANCIAL ASSUMPTIONS USED TO CALCULATE THE FUNDING TARGET

The table below summarises the key financial assumptions used in the calculation of the funding target and those used for the 31 March 2013 actuarial valuation.

FINANCIAL ASSUMPTIONS	31 March 2016	31 March 2013
Discount rate	4.40% p.a.	4.80% p.a.
Price inflation (CPI)	2.2% p.a.	2.6% p.a.
Salary increases (short term)	1% p.a. for 4 years	1% p.a. for 3 years
Salary increases (long term)	3.7% p.a.	4.1% p.a.
Pension increases in payment:	2.2% p.a.	2.6% p.a.

DEMOGRAPHIC ASSUMPTIONS USED

Post-retirement Mortality

Mortality (or life expectancy) tables are typically made up of three elements: a baseline table (equivalent to the expected current mortality), an allowance for future improvements, and a margin for prudence. Very few pension funds are large enough for them to be able to determine a bespoke set of baseline assumptions based purely on the scheme's own membership experience. Typically, the life expectancy assumptions are set by benchmarking a fund's membership profile and mortality experience against larger external datasets. For this actuarial valuation, we have benchmarked the fund's membership profile and experience against the "S2 tables" published by the CMI. We have applied weightings and age ratings as appropriate to adjust the standard tables so as to arrive at assumptions which are appropriate for the Fund. We have generally used the S2PA tables, other than for future female dependants where the S2DA tables have been used. At the 2013 actuarial valuation the S1PA tables were used (S1DA tables for future female dependants).



There are two separate decisions on mortality assumptions:

- The baseline table for the current rates of mortality

Baseline

Life expectancy today

Measured by LGPS-wide and fund-specific



Future Changes

How things may change

More uncertain and subjective



Prudence

Margin for uncertainty

The weightings and age ratings applied to the above are set out in the table below.

Current Status	Retirement Type	2016 weighting/rating	2013 weighting/rating
Annuitant	Normal Health	99% males, 93% females	100% males, 98% females
	Dependant	122% males, 106% females	158% males, 115% females
	Ill Health	99% males, 93% females with an age rating of +3 years in each case	100% males, 98% females with an age rating of +3 years in each case
Active	Normal Health	98% males, 89% females	100% % males, 98% females
	Ill Health	98% males, 89% females with an age rating of +4 years in each case	100% males, 98% females with an age rating of +4 years in each case
Deferred	All	125% males, 102% females	100% males, 98% females

A weighting applied to an actuarial table has the effect of increasing or reducing the chance of survival at each age, which increases or reduces the corresponding life expectancy. Similarly, an age rating applied to an actuarial table has the effect of assuming that beneficiaries have a life expectancy equal to those older (or younger) than their actual age.

Future improvements are assumed to follow the CMI 2015 model with a 1.5% p.a. long-term improvements trend. At the 2013 actuarial valuation the CMI 2012 model with a 1.5% p.a. long-term improvements trend was used.

The mortality assumptions used for the 31 March 2016 valuation result in the following life expectancies.

	Years
Life expectancy for a male aged 65 now	22.6
Life expectancy at 65 for a male aged 45 now	24.8
Life expectancy for a female aged 65 now	25.1
Life expectancy at 65 for a female aged 45 now	27.8

Pre-retirement Mortality

The following mortality tables (together with any appropriate weightings and age ratings) have been adopted for mortality rates in the period up to retirement.

	31 March 2016	31 March 2013
Base Table	DxL08 tables with adjustments of 80% (male) 50% (female) to reflect the Fund's membership profile	AC00 tables with adjustments of 73% (male) and 60% (female) to reflect the Fund's membership profile
Allowance for Future Improvements	CMI_2015 [1.5%]	N/A

Commutation

It has been assumed that, on average, 50% of retiring members will take the maximum tax-free cash available at retirement and 50% will take a 3/80ths cash sum (the standard for pre April 2008 service). The members have the option to commute part of their pension at retirement in return for a lump sum at a rate of £12 cash for each £1 per annum of pension given up.

Retirement lump sums are less costly for the Fund to provide than the alternative pension, as members receive only £12 of each £1 p.a. of pension given up. If members take the cash sum option at a higher rate than has been assumed then this will normally lead to an improvement in the funding level.

Early retirement

For those members who are entitled to receive their accrued benefits (or part of those benefits) prior to the Fund's normal pension age, a proportion of the active membership is assumed to retire in normal health prior to age 65, as set out below:

	% retiring per annum	% retiring per annum
Age	Males	Females
60	10	20
61	8	15
62	8	15
63	8	15
64	8	15
65	100	100

If members take early retirement to a greater extent than has been assumed then this will typically lead to a worsening of the funding level. This is because many members are able to take substantial parts of their benefits from age 60 without them being reduced for early payment.

The appropriate early retirement factors applied to the relevant tranche of benefits are in line with GAD guidance.

Ill health retirement

A small proportion of the active membership has been assumed to retire owing to ill health. As an example of the rates assumed, the following is an extract from the decrement table used:

	% retiring per annum	% retiring per annum
Age	Males	Females
35	0.03	0.03
45	0.08	0.08
55	0.35	0.31

The proportion of ill health early retirements falling into each tier category, split by males and females, has been assumed to be as set out below:

The level of ill-health retirement benefit provided for a member falls into one of three "tiers", depending on whether and when the member might be expected to resume gainful employment. Tier 1, for example, is on the basis that the member is unlikely to be able to do so before Normal Pension Age. Full details are set out in the LGPS Regulations.

	Tier 1	Tier 2	Tier 3
Males & Females	75%	12.5%	12.5%

Withdrawal


This assumption relates to those members who leave the scheme with an entitlement to a deferred pension or transfer value. It has been assumed that active members will leave the Scheme at the following sample rates:

	% leaving per annum	% leaving per annum
Age	Males	Females
25	20.25	22.38
35	5.09	6.27
45	2.54	3.89


Partners' and Dependants' Proportions

It has been assumed that the proportions of members below will on death give rise to a dependant's pension (spouse's and partner's), and that spouses/partners of female (male) members are three years older (younger), on average than the member.

	% spouse/partner	% spouse/partner
Age	Males	Females
25	43	46
35	69	60
45	72	60
55	74	60
65	76	55



In relation to pre 2014 benefits, deferred benefits tend to be less costly for the Fund to provide than if the member had remained in the Fund until retirement. If the number of members leaving the Fund is greater than expected then this will typically lead to a slight improvement in the funding level.



If more members than assumed have partners then this will lead to an increase in the number of dependants pensions coming into payment over and above that expected. This would lead to a worsening of the funding level.

ASSUMPTIONS USED TO CALCULATE THE PRIMARY CONTRIBUTION RATE

The cost of future accrual (normal cost) has been calculated using the same actuarial assumptions as used to calculate the funding target and recovery plan as set out above except that the financial assumptions adopted are as described below.

The financial assumptions for assessing the future service contribution rate should take account of the fact that contributions will be invested in market conditions applying at future dates, which are unknown at the effective date of the valuation, and which are not directly linked to market conditions at the valuation date.

The financial assumptions in relation to future service (i.e. the normal cost) are not specifically linked to investment conditions as at the valuation date itself, and are based on an overall assumed real return (i.e. return in excess of price inflation) of 2.75% per annum. This represents a reduction of 0.25% per annum compared to the 2013 valuation, which increases the estimated cost of providing LGPS benefits. With a long term average assumption for price inflation of 2.2% per

annum, this gives rise to an overall discount rate of 4.95% p.a. (the corresponding discount rate at the 2013 actuarial valuation was 5.6% p.a.).

B

SUMMARY MEMBERSHIP DATA

The membership data is summarised in the table, with figures at the previous valuation shown for comparison.

Data in relation to members of the Fund were supplied by the Funding administrator on behalf of the Administering Authority. The accuracy of the data provided has been relied on. While reasonableness checks on the data have been carried out, they do not guarantee the completeness or the accuracy of the data. Consequently Mercer does not accept any liability in respect of its advice where it has relied on data that is incomplete or inaccurate.

	31 March 2016	31 March 2013
Active members		
Number	51,613	51,439
Total Pensionable Salaries (£000s p.a.)	860,203	854,743
Average Pensionable Salary (£ p.a.)	16,666	16,617
Average age (pension weighted)	49.6	49.2
Average past service (pay weighted)	7.1	10.5

Deferred pensioners		
Number	65,940	52,039
Total deferred pensions revalued to valuation date (£000s p.a.)	76,171	60,697
Average deferred pension (£ p.a.)	1,155	1,166
Average age (pension weighted)	48.9	48.3

Pensioners		
Number	44,537	41,115
Total pensions payable (£000s p.a.)	202,082	184,005
Average pension (£ p.a.)	4,537	4,475
Average age (pension weighted)	70.4	69.6

The above pensioner figures include current dependant pensioners.

C

ASSETS

The market value of the Fund's assets was £6,036,200,000 on the valuation date.

The Administering Authority's investment strategy is to proportion the Fund's assets by asset class as shown in the table below. The actual distribution of assets will vary over time due to changes in financial markets. The table also shows the distribution of assets at the valuation date.

	INVESTMENT STRATEGY	ACTUAL MARKET VALUE OF ASSETS AT 31 MARCH 2016	
	%	£000s	%
Global equities	40% - 60%		
Equities - UK quoted		191,300	3.2%
Equities - Overseas quoted		1,878,600	31.1%
Equities - Overseas funds		485,700	8.0%
Venture capital		1,211,400	20.1%
Diversified property	10%-20%		
Direct property		608,100	10.1%
Property funds		80,600	1.3%
Lower volatility strategies	20%-40%		
Fixed interest securities		123,100	2.0%
Fixed interest funds		1,157,300	19.2%
Index linked securities		63,700	1.1%
Derivative contracts		307,600	5.1%
Currency contracts		-291,000	-4.8%
Cash		210,900	3.5%
Net current assets		8,900	0.1%
Total	100.0%	6,036,200	100.0%

The Administering Authority also holds additional voluntary contributions (AVCs), which are separately invested. These assets have been excluded from the market value shown as they exactly match the value of the benefits they cover.

The details of the assets at the valuation date and the financial transactions during the inter-valuation period have been obtained from the audited accounts for the Fund.

D

SCHEME BENEFITS

The benefits valued within our calculations are those in force at the effective date of the valuation. Full details of these can be found in the Local Government Pension Scheme Regulations 2013 (as amended):

The Local Government Pension Scheme Regulations 2013
(<http://www.legislation.gov.uk/ukxi/2013/2356/contents/made>)

The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (<http://www.legislation.gov.uk/ukxi/2014/525/contents/made>)

The direction by the Treasury dated 5 April 2016 under Section 59A of the Social Security Pensions Act 1975 (<http://www.lgpsregs.org/images/OtherGuidance/HMTDirectionApr2016.pdf>)

We have made no allowance for other changes which may be introduced in the future.

The Fund is also responsible for paying and, where appropriate, recharging to employers the benefits arising from the award of compensatory added years (CAY) of service on premature retirement. Unless these CAY benefits have been converted into “funded” benefits, they are normally recharged to the relevant employer (together with associated pension increases), and so are excluded from the valuation.

The benefits that will emerge from money purchase AVCs paid by members, and SCAVCs paid by employers, and the corresponding invested assets in respect of these AVCs and SCAVCs, have been excluded from the valuation.

UK and European law requires pension schemes to provide equal benefits to men and women in respect of service after 17 May 1990 (the date of the “Barber” judgement) and this includes providing equal benefits accrued from that date to reflect the differences in GMPs. There is no consensus or legislative guidance as to what adjustments have to be made to scheme benefits to correct these inequalities for ongoing schemes (i.e. for schemes other than those which are in the Pension Protection Fund). The valuation makes no allowance for removal of these inequalities. It is consequently possible that additional funding will be required for equalisation once the law has been clarified. It is recommended that the Administering Authority seek further professional advice if it is concerned about this issue.

E

SUMMARY OF INCOME AND EXPENDITURE

INCOME	YEAR ENDING 31 MARCH			Total £000s
	2014 £000s	2015 £000s	2016 £000s	
Fund at beginning of year	5,011,000	5,188,100	5,830,700	5,011,000
Contributions to Fund:				
Employees	54,000	54,800	54,900	163,700
Employers	160,000	183,200	183,700	526,900
Transfer Values received	7,100	4,800	5,500	17,400
Investment income	105,300	90,700	99,100	295,100
Change in market value of investments	118,400	684,700	165,900	969,000

EXPENDITURE	YEAR ENDING 31 MARCH			Total £000s
	2014 £000s	2015 £000s	2016 £000s	
Pensions for members/ spouses/partners/dependants	183,900	192,000	200,200	576,100
Retiring allowances and death gratuities	37,200	48,200	45,600	131,000
Withdrawals	-	-	-	-
Transfer Values paid	15,300	100,100	12,500	127,900
Investment expenses	25,100	29,400	32,500	87,000
Administration expenses	6,000	6,000	12,800	24,800
Fund at end of year	5,188,100	5,830,700	6,036,200	6,036,200

F

ANALYSIS OF MEMBERSHIP EXPERIENCE

The analysis below compares the actual experience over the 3 year period with the assumptions used for the 2016 valuation.

	ACTUAL	EXPECTED	%
Ill Health Retirements	311	289	108
Withdrawals	16,962	7,786	218
Pensioner Deaths (lives)	3,619	3,026	120
Pensioner Deaths (£000 p.a. of pension)	12,085	10,938	110

Note that actual withdrawals can include members moving to another LGPS Fund, bulk transfers and also transfers under the special transfer club terms.



RATES AND ADJUSTMENTS CERTIFICATE ISSUED IN ACCORDANCE WITH REGULATION 62

NAME OF FUND

Lancashire County Pension Fund

PRIMARY CONTRIBUTION RATE

I hereby certify that, in my opinion, the primary rate of the employers' contribution for the whole Fund for each of the three years beginning 1 April 2017 is 14.9% of pensionable pay.

The primary rate of contribution for each employer for the three year period beginning 1 April 2017 is set out in the attached schedule.

SECONDARY CONTRIBUTION RATE

I hereby certify that, in my opinion, the secondary rate of the employer's contribution for the whole Fund for each of the three years beginning 1 April 2017 is as follows:

2017/18	£36.0 million plus 0.6% of pensionable pay
2018/19	£37.1 million plus 0.7% of pensionable pay
2019/20	£38.1 million plus 0.9% of pensionable pay

The secondary rate of contribution for each employer for each of the three years beginning 1 April 2017 is set out in the attached schedule.

CONTRIBUTION AMOUNTS PAYABLE

The total contribution payable for each employer is the total of the primary and secondary rates as detailed in the attached schedule. Contributions will be paid monthly in arrears with each payment normally being due by the 19th of the following month (or the 22nd if paid electronically) unless otherwise noted in the schedule.

FURTHER ADJUSTMENTS

A further individual adjustment shall be applied in respect of each non-ill health early retirement occurring in the period of three years covered by this certificate. This further individual adjustment will be calculated in accordance with methods agreed from time to time between the Fund's Actuary and the Administering Authority.

The contributions set out in the attached schedule represent the minimum contribution which may be paid by each employer in total over the 3 years covered by the certificate. Additional contributions or a different pattern of contributions may be paid if requested by the employer concerned at the sole discretion of the Administering Authority as agreed with the Actuary. The total contributions payable by each employer will be subject to a minimum of zero.

The individual employer contributions may be varied as agreed by the Actuary and Administering Authority to reflect any changes in contribution requirements as a result of any benefit costs being insured with a third party or parties including where the third party or parties participate in the Fund.

In cases where an element of an existing Scheme employer's deficit is transferred to a new employer on its inception, the Scheme employer's deficit recovery contributions, as shown on the schedule to this Certificate in Appendix H, may be reallocated between the Scheme employer and the new employer to reflect this, on advice of the Actuary and as agreed with the Administering Authority so that the total payments remain the same overall.

The Administering Authority and employer with advice from the Fund's Actuary can agree that contributions payable under this certificate can be sourced under an alternative financing arrangement which provides the Fund with equivalent cash contributions.

REGULATION 62(8)

No allowance for non-ill health early retirements has been made in determining the results of the valuation, on the basis that the costs arising will be met by additional contributions. Allowance for ill health retirements has been included in each employer's contribution rate, on the basis of the method and assumptions set out in the report.

Signature:

Name: John Livesey

Qualification: Fellow of the Institute
and Faculty of Actuaries

Date of signing: 31 March 2017



SCHEDULE TO THE RATES AND ADJUSTMENTS CERTIFICATE DATED 31 MARCH 2017

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Major authorities							
Blackburn with Darwen Borough Council	14.8%	-2.4% plus **£4,671,300	-1.4% plus **£4,671,300	**£4,754,000	12.4% plus **£4,671,300	13.4% plus **£4,671,300	14.8% plus **£4,754,000
Blackpool Borough Council - excluding schools	14.8%	*£2,890,900	*£3,564,400	*£3,925,300	14.8% plus *£2,890,900	14.8% plus *£3,564,400	14.8% plus *£3,925,300
Blackpool Borough Council schools	14.8%	5.7%	6.9%	7.6%	20.5%	21.7%	22.4%
Burnley Borough Council	15.4%	£1,409,800	£1,462,000	£1,516,100	15.4% plus £1,409,800	15.4% plus £1,462,000	15.4% plus £1,516,100
Chorley Borough Council	14.4%	£790,500	£840,500	£966,300	14.4% plus £790,500	14.4% plus £840,500	14.4% plus £966,300
Fylde Borough Council	15.2%	£507,300	£526,100	£545,500	15.2% plus £507,300	15.2% plus £526,100	15.2% plus £545,500
Hyndburn Borough Council	15.3%	12.7%	12.7%	12.7%	28%	28%	28%
Lancashire Chief Constable	14.0%	£1,830,700	£1,898,400	£1,968,700	14% plus £1,830,700	14% plus £1,898,400	14% plus £1,968,700
Lancashire County Council - excluding schools	15.1%	*£9,534,200	*£9,470,300	*£9,406,900	15.1% plus *£9,534,200	15.1% plus *£9,470,300	15.1% plus *£9,406,900
Lancashire County Council schools	15.1%	4.7%	4.8%	4.9%	19.8%	19.9%	20.0%

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Lancashire Fire & Rescue Service	14.7%	-6%	-6%	-6%	8.7%	8.7%	8.7%
Lancaster City Council	15.5%	£966,500	£1,002,200	£1,039,300	15.5% plus £966,500	15.5% plus £1,002,200	15.5% plus £1,039,300
Pendle Borough Council	15.5%	£1,246,500	£1,292,600	£1,340,400	15.5% plus £1,246,500	15.5% plus £1,292,600	15.5% plus £1,340,400
Preston City Council	15.4%	£1,439,800	£1,493,000	£1,548,300	15.4% plus £1,439,800	15.4% plus £1,493,000	15.4% plus £1,548,300
Ribble Valley Borough Council	16.5%	£177,200	£183,800	£190,600	16.5% plus £177,200	16.5% plus £183,800	16.5% plus £190,600
Rossendale Borough Council	15.6%	£1,018,600	£1,056,300	£1,095,400	15.6% plus £1,018,600	15.6% plus £1,056,300	15.6% plus £1,095,400
South Ribble Borough Council	14.9%	£559,100	£579,800	£601,300	14.9% plus £559,100	14.9% plus £579,800	14.9% plus £601,300
West Lancashire District Council	16.3%	*£985,600	*£979,000	*£972,400	16.3% plus *£985,600	16.3% plus *£979,000	16.3% plus *£972,400
Wyre Borough Council	15.8%	£723,100	£749,800	£777,600	15.8% plus £723,100	15.8% plus £749,800	15.8% plus £777,600

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Other scheme employers							
Accrington & Rossendale College	15.1%	£269,300	£279,200	£289,600	15.1% plus £269,300	15.1% plus £279,200	15.1% plus £289,600
Blackburn College	14.2%	£82,800	£85,900	£89,000	14.2% plus £82,800	14.2% plus £85,900	14.2% plus £89,000
Blackburn St Mary's College	14.6%	£9,100	£9,400	£9,800	14.6% plus £9,100	14.6% plus £9,400	14.6% plus £9,800
Blackpool & The Fylde College	14.4%	£192,600	£199,700	£207,100	14.4% plus £192,600	14.4% plus £199,700	14.4% plus £207,100
Blackpool Coastal Housing	13.9%	-1.9%	-1.9%	-1.9%	12%	12%	12%
Blackpool Housing Company Ltd	13.4%	-0.1%	-0.1%	-0.1%	13.3%	13.3%	13.3%
Blackpool Sixth Form College	12.1%	-0.3%	-0.3%	-0.3%	11.8%	11.8%	11.8%
Burnley College	13.2%	£124,900	£129,500	£134,300	13.2% plus £124,900	13.2% plus £129,500	13.2% plus £134,300
Cardinal Newman College	13.9%	£49,400	£51,200	£53,100	13.9% plus £49,400	13.9% plus £51,200	13.9% plus £53,100
County Councils Network	5.2%	£700	£700	£800	5.2% plus £700	5.2% plus £700	5.2% plus £800
Edge Hill University	14.3%	£780,300	£809,200	£839,100	14.3% plus £780,300	14.3% plus £809,200	14.3% plus £839,100
Lancaster & Morecambe College	15.3%	£121,300	£125,800	£130,400	15.3% plus £121,300	15.3% plus £125,800	15.3% plus £130,400
Myerscough College	14.2%	£165,800	£171,900	£178,300	14.2% plus £165,800	14.2% plus £171,900	14.2% plus £178,300
Nelson and Colne College	14.0%	£50,700	£52,500	£54,500	14% plus £50,700	14% plus £52,500	14% plus £54,500
Police & Crime Commissioner	13.9%	£3,800	£3,900	£4,100	13.9% plus £3,800	13.9% plus £3,900	13.9% plus £4,100

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Preston College	13.3%	£259,900	£269,500	£279,500	13.3% plus £259,900	13.3% plus £269,500	13.3% plus £279,500
Runshaw College	15.7%	£86,000	£89,200	£92,500	15.7% plus £86,000	15.7% plus £89,200	15.7% plus £92,500
University of Central Lancashire	14.3%	£949,800	£984,900	£1,021,400	14.3% plus £949,800	14.3% plus £984,900	14.3% plus £1,021,400

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Designated / Resolution body							
Blackpool Transport Services Ltd	23.1%	-23.1%	-23.1%	-23.1%	0%	0%	0%
Catterall Parish Council	25.3%	Nil	Nil	Nil	25.3%	25.3%	25.3%
Darwen Town Council	15.9%	Nil	Nil	Nil	15.9%	15.9%	15.9%
Garstang Town Council	17.5%	Nil	Nil	Nil	17.5%	17.5%	17.5%
Habergham Eaves Parish Council	15.8%	Nil	Nil	Nil	15.8%	15.8%	15.8%
Kirkland Parish Council	25.2%	-0.7%	-0.7%	-0.7%	24.5%	24.5%	24.5%
Lancs Sports Partnership Ltd	10.9%	-0.6%	-0.6%	-0.6%	10.3%	10.3%	10.3%
Marketing Lancashire Ltd	12.6%	-1.1%	-1.1%	-1.1%	11.5%	11.5%	11.5%
Morecambe Town Council	19.2%	-1.2%	-1.2%	-1.2%	18%	18%	18%
Old Laund Booth Parish Council	15.9%	Nil	Nil	Nil	15.9%	15.9%	15.9%
Penwortham Town Council	15.8%	-3.4%	-3.4%	-3.4%	12.4%	12.4%	12.4%
Pilling Parish Council	27.6%	£100	£100	£100	27.6% plus £100	27.6% plus £100	27.6% plus £100
Preesall Town Council	23.2%	£100	£100	£100	23.2% plus £100	23.2% plus £100	23.2% plus £100
Rosendale Transport Ltd.	25.6%	Nil	Nil	Nil	25.6%	25.6%	25.6%
St Annes on Sea Town Council	17.0%	£1,100	£1,100	£1,200	17% plus £1,100	17% plus £1,100	17% plus £1,200
The Lancashire Colleges Ltd	17.8%	-3.7%	-3.7%	-3.7%	14.1%	14.1%	14.1%
Whittle-le-woods Parish Council	17.0%	Nil	Nil	Nil	17%	17%	17%
Whitworth Town Council	12.8%	£2,200	£2,200	£2,300	12.8% plus £2,200	12.8% plus £2,200	12.8% plus £2,300

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Academies / schools							
Academy at Worden	14.6%	£13,400	£13,900	£14,400	14.6% plus £13,400	14.6% plus £13,900	14.6% plus £14,400
Accrington Academy	14.3%	-2.9%	-2.9%	-2.9%	11.4%	11.4%	11.4%
Albany Science College	16.2%	£23,800	£24,700	£25,600	16.2% plus £23,800	16.2% plus £24,700	16.2% plus £25,600
All Saints CE Primary School	14.1%	£16,200	£16,800	£17,400	14.1% plus £16,200	14.1% plus £16,800	14.1% plus £17,400
Anchorsholme Academy	16.0%	£34,900	£36,200	£37,500	16% plus £34,900	16% plus £36,200	16% plus £37,500
ANWET - Darwen Aldridge Comm	14.3%	-2%	-2%	-2%	12.3%	12.3%	12.3%
ANWET - Darwen Vale Academy	15.1%	£64,600	£67,000	£69,500	15.1% plus £64,600	15.1% plus £67,000	15.1% plus £69,500
ANWET - Sudell PS Academy	19.1%	£18,300	£19,000	£19,700	19.1% plus £18,300	19.1% plus £19,000	19.1% plus £19,700
Bacup and Rawtenstall Grammar School	14.8%	£22,600	£23,400	£24,300	14.8% plus £22,600	14.8% plus £23,400	14.8% plus £24,300
Belthorn Primary Academy	18.6%	£7,300	£7,600	£7,900	18.6% plus £7,300	18.6% plus £7,600	18.6% plus £7,900
BFET (Marton Primary)	16.3%	£22,800	£23,600	£24,500	16.3% plus £22,800	16.3% plus £23,600	16.3% plus £24,500
BFET (South Shore)	14.9%	£48,200	£50,000	£51,800	14.9% plus £48,200	14.9% plus £50,000	14.9% plus £51,800
Bishop Rawstorne C of E High Academy	17.5%	£28,500	£29,600	£30,600	17.5% plus £28,500	17.5% plus £29,600	17.5% plus £30,600
Blackpool MAT (Revoe)	14.6%	£47,500	£49,300	£51,100	14.6% plus £47,500	14.6% plus £49,300	14.6% plus £51,100

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Blessed Edward MAT	16.3%	£11,900	£12,300	£12,800	16.3% plus £11,900	16.3% plus £12,300	16.3% plus £12,800
Blessed Edward MAT (St Cuthbert)	15.3%	£24,900	£25,800	£26,800	15.3% plus £24,900	15.3% plus £25,800	15.3% plus £26,800
Blessed Edward MAT (St Marys)	15.5%	£46,500	£48,200	£50,000	15.5% plus £46,500	15.5% plus £48,200	15.5% plus £50,000
Bowland High Academy Trust	17.6%	£29,000	£30,100	£31,200	17.6% plus £29,000	17.6% plus £30,100	17.6% plus £31,200
Cidari Ed Ltd (Marsden St John)	17.0%	£9,600	£10,000	£10,400	17% plus £9,600	17% plus £10,000	17% plus £10,400
Cidari Edu Ltd (Baines Endowed)	12.7%	£39,300	£40,800	£42,300	12.7% plus £39,300	12.7% plus £40,800	12.7% plus £42,300
Cidari Education Ltd (St Aidans)	14.0%	£17,100	£17,700	£18,400	14% plus £17,100	14% plus £17,700	14% plus £18,400
Cidari Education Ltd (St Barnabas)	16.2%	£20,100	£20,800	£21,600	16.2% plus £20,100	16.2% plus £20,800	16.2% plus £21,600
Cidari Education Ltd (St James)	13.8%	£17,300	£17,900	£18,600	13.8% plus £17,300	13.8% plus £17,900	13.8% plus £18,600
Cidari Education Trust	8.8%	£2,800	£2,900	Nil	8.8% plus £2,800	8.8% plus £2,900	8.8%
Clitheroe Royal Grammar School	16.7%	£58,000	£60,100	£62,400	16.7% plus £58,000	16.7% plus £60,100	16.7% plus £62,400
CSCST (Burnley High)	13.6%	£300	£300	£300	13.6% plus £300	13.6% plus £300	13.6% plus £300
Devonshire Academy	15.7%	£36,900	£38,300	£39,700	15.7% plus £36,900	15.7% plus £38,300	15.7% plus £39,700
Education Partner Trust (Coal Clough)	17.6%	£20,000	£20,700	£21,500	17.6% plus £20,000	17.6% plus £20,700	17.6% plus £21,500
Education Partner Trust (Eden)	10.7%	£1,400	£1,500	£1,600	10.7% plus £1,400	10.7% plus £1,500	10.7% plus £1,600

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Education Partner Trust (Pleckgate)	15.9%	£66,200	£68,600	£71,200	15.9% plus £66,200	15.9% plus £68,600	15.9% plus £71,200
FACT (Unity Academy)	13.5%	£59,500	£61,700	£64,000	13.5% plus £59,500	13.5% plus £61,700	13.5% plus £64,000
FCAT (Aspire)	17.1%	£48,500	£50,300	£52,200	17.1% plus £48,500	17.1% plus £50,300	17.1% plus £52,200
FCAT (Montgomery)	14.3%	£55,000	£57,000	£59,100	14.3% plus £55,000	14.3% plus £57,000	14.3% plus £59,100
Fulwood Academy	15.2%	-3.9%	-3.9%	-3.9%	11.3%	11.3%	11.3%
Fylde Coast Academy Trust	13.4%	£1,500	£1,600	£1,600	13.4% plus £1,500	13.4% plus £1,600	13.4% plus £1,600
Garstang Community Academy	17.9%	£27,900	£28,900	£30,000	17.9% plus £27,900	17.9% plus £28,900	17.9% plus £30,000
Hambleton Primary Academy	13.6%	£6,800	£7,100	£7,300	13.6% plus £6,800	13.6% plus £7,100	13.6% plus £7,300
Hawe Side Primary School	15.6%	£17,500	£18,100	£18,800	15.6% plus £17,500	15.6% plus £18,100	15.6% plus £18,800
Hodgson Academy	17.5%	£43,400	£45,000	£46,700	17.5% plus £43,400	17.5% plus £45,000	17.5% plus £46,700
Lancashire Care Foundation	20.1%	-5%	-5%	-5%	15.1%	15.1%	15.1%
Lancaster Girls Grammar School	15.5%	£41,900	£43,400	£45,000	15.5% plus £41,900	15.5% plus £43,400	15.5% plus £45,000
Lancaster Royal Grammar School	17.9%	£66,500	£69,000	£71,500	17.9% plus £66,500	17.9% plus £69,000	17.9% plus £71,500
Langdale Free School	15.4%	Nil	Nil	Nil	15.4%	15.4%	15.4%
Lostock Hall Academy Trust	17.2%	£30,100	£31,200	£32,400	17.2% plus £30,100	17.2% plus £31,200	17.2% plus £32,400

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Maharishi School	18.4%	-0.1%	-0.1%	-0.1%	18.3%	18.3%	18.3%
Moorside Community Academy	14.8%	£10,800	£11,200	£11,600	14.8% plus £10,800	14.8% plus £11,200	14.8% plus £11,600
Norbreck Primary Academy	15.0%	£18,400	£19,100	£19,800	15% plus £18,400	15% plus £19,100	15% plus £19,800
Parbold Douglas CE Academy	16.1%	£9,700	£10,100	£10,400	16.1% plus £9,700	16.1% plus £10,100	16.1% plus £10,400
Park Academy	13.2%	£55,300	£57,300	£59,500	13.2% plus £55,300	13.2% plus £57,300	13.2% plus £59,500
Parklands High School	14.6%	£25,900	£26,800	£27,800	14.6% plus £25,900	14.6% plus £26,800	14.6% plus £27,800
Pendle Education Trust - Colne Primet	17.5%	£14,200	£14,700	£15,300	17.5% plus £14,200	17.5% plus £14,700	17.5% plus £15,300
Pendle Education Trust (Castercliff)	17.2%	£24,900	£25,800	£26,800	17.2% plus £24,900	17.2% plus £25,800	17.2% plus £26,800
Pendle Education Trust (Walter Street Primary School)	15.5%	£14,700	£15,200	£15,800	15.5% plus £14,700	15.5% plus £15,200	15.5% plus £15,800
Penwortham Priory Academy	15.4%	£17,100	£17,700	£18,300	15.4% plus £17,100	15.4% plus £17,700	15.4% plus £18,300
Queen Elizabeth's Grammar School	16.1%	£67,100	£69,600	£72,200	16.1% plus £67,100	16.1% plus £69,600	16.1% plus £72,200
Ripley St Thomas C of E Academy	17.6%	£43,000	£44,600	£46,200	17.6% plus £43,000	17.6% plus £44,600	17.6% plus £46,200
Roseacre Primary Academy	15.3%	£23,100	£24,000	£24,800	15.3% plus £23,100	15.3% plus £24,000	15.3% plus £24,800
St Christopher's C of E high School	16.1%	£88,000	£91,300	£94,600	16.1% plus £88,000	16.1% plus £91,300	16.1% plus £94,600

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
St Georges Academy	15.1%	£39,200	£40,700	£42,200	15.1% plus £39,200	15.1% plus £40,700	15.1% plus £42,200
St Lukes and St Philips	14.7%	£28,100	£29,100	£30,200	14.7% plus £28,100	14.7% plus £29,100	14.7% plus £30,200
St Michael's C of E High School	16.5%	£45,600	£47,200	£49,000	16.5% plus £45,600	16.5% plus £47,200	16.5% plus £49,000
St Wilfrid's C of E Academy	13.9%	£91,900	£95,300	£98,800	13.9% plus £91,900	13.9% plus £95,300	13.9% plus £98,800
Tarleton Academy	14.9%	£29,400	£30,500	£31,600	14.9% plus £29,400	14.9% plus £30,500	14.9% plus £31,600
Tauheedul Education Trust	11.2%	-1.1%	-1.1%	-1.1%	10.1%	10.1%	10.1%
Tauheedul ET (Eden Boys School Preston)	10.8%	£900	Nil	Nil	10.8% plus £900	10.8%	10.8%
Tauheedul ET (Eden Girls School Birmingham)	10.1%	Nil	Nil	Nil	10.1%	10.1%	10.1%
Tauheedul ET (Eden Girls School Slough)	12.2%	£100	Nil	Nil	12.2% plus £100	12.2%	12.2%
Tauheedul ET (Olive Blackburn)	8.5%	-1%	-1%	-1%	7.5%	7.5%	7.5%
Tauheedul ET (Olive London)	8.3%	-1.1%	-1.1%	-1.1%	7.2%	7.2%	7.2%
Tauheedul ET Eden Boys School Bolton	14.2%	£100	£100	£100	14.2% plus £100	14.2% plus £100	14.2% plus £100
Tauheedul ET Eden Girls School Coventry	8.6%	-0.3%	-0.3%	-0.3%	8.3%	8.3%	8.3%
Tauheedul ET Eden Girls School Waltham	11.6%	£1,300	£1,300	£1,400	11.6% plus £1,300	11.6% plus £1,300	11.6% plus £1,400
Tauheedul ET Islam Girls	16.1%	£17,900	£18,600	£19,200	16.1% plus £17,900	16.1% plus £18,600	16.1% plus £19,200

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Tauheedul Islam Boys High School	10.5%	£900	£900	£1,000	10.5% plus £900	10.5% plus £900	10.5% plus £1,000
Thames Primary Academy	14.2%	£29,100	£30,200	£31,300	14.2% plus £29,100	14.2% plus £30,200	14.2% plus £31,300
The Heights Free School	14.0%	£22,600	£23,400	£24,300	14% plus £22,600	14% plus £23,400	14% plus £24,300
Tower MAT (Blackpool Gateway)	12.0%	£4,400	£4,600	£4,700	12% plus £4,400	12% plus £4,600	12% plus £4,700
Waterloo Primary School	14.2%	£30,900	£32,000	£33,200	14.2% plus £30,900	14.2% plus £32,000	14.2% plus £33,200
Wensley Fold CE Primary Academy	14.1%	£29,900	£31,000	£32,200	14.1% plus £29,900	14.1% plus £31,000	14.1% plus £32,200
Westcliff Primary School	15.3%	£12,600	£13,100	£13,500	15.3% plus £12,600	15.3% plus £13,100	15.3% plus £13,500
Witton Park Academy Trust	15.8%	£55,900	£58,000	£60,100	15.8% plus £55,900	15.8% plus £58,000	15.8% plus £60,100

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Admitted bodies (community)							
Arnold Schools Ltd.	19.4%	£26,200	£27,100	£28,100	19.4% plus £26,200	19.4% plus £27,100	19.4% plus £28,100
Blackpool Fylde Wyre Blind Society	21.6%	-20.6%	-20.6%	-20.6%	1%	1%	1%
Blackpool Zoo	19.6%	-4.4%	-4.4%	-4.4%	15.2%	15.2%	15.2%
Blackpool, Fylde and Wyre Credit Union	21.2%	-1.6%	-1.6%	-1.6%	19.6%	19.6%	19.6%
Calico Housing Limited	13.8%	£209,200	£216,900	£224,900	13.8% plus £209,200	13.8% plus £216,900	13.8% plus £224,900
Catholic Caring Services	16.6%	£65,500	£67,900	£70,400	16.6% plus £65,500	16.6% plus £67,900	16.6% plus £70,400
Chorley Community Housing	16.4%	-3.9%	-3.9%	-3.9%	12.5%	12.5%	12.5%
Community and Business Partners CIC	14.8%	-2%	-2%	-2%	12.8%	12.8%	12.8%
Community Council of Lancashire	19.5%	£16,000	£16,600	£17,200	19.5% plus £16,000	19.5% plus £16,600	19.5% plus £17,200
Community Gateway Association	16.1%	-1.5%	-1.5%	-1.5%	14.6%	14.6%	14.6%
Contour Housing Group	22.2%	-22.2%	-22.2%	-22.2%	0%	0%	0%
Fylde Community Link	16.8%	£2,800	£2,900	£3,000	16.8% plus £2,800	16.8% plus £2,900	16.8% plus £3,000
Galloways Society for Blind	20.2%	£16,600	£17,200	£17,800	20.2% plus £16,600	20.2% plus £17,200	20.2% plus £17,800
Hyndburn Homes Ltd	18.4%	-2.8%	-2.8%	-2.8%	15.6%	15.6%	15.6%
Kirkham Grammar School (Independent)	19.9%	£29,300	£30,400	£31,500	19.9% plus £29,300	19.9% plus £30,400	19.9% plus £31,500
Lancashire County Branch Unison	18.2%	-18.2%	-18.2%	-18.2%	0%	0%	0%

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Lancaster University	13.4%	£504,700	£523,400	£542,700	13.4% plus £504,700	13.4% plus £523,400	13.4% plus £542,700
Leisure in Hyndburn	13.0%	£47,800	£49,600	£51,400	13% plus £47,800	13% plus £49,600	13% plus £51,400
Local Pensions Partnership Ltd	12.4%	Nil	Nil	Nil	12.4%	12.4%	12.4%
Lytham Schools Foundation	18.0%	-4.4%	-4.4%	-4.4%	13.6%	13.6%	13.6%
North West & North Wales Sea Fisheries Committee	16.6%	£25,500	£26,500	£27,500	16.6% plus £25,500	16.6% plus £26,500	16.6% plus £27,500
Pendle Leisure Trust	12.6%	£20,600	£21,400	£22,200	12.6% plus £20,600	12.6% plus £21,400	12.6% plus £22,200
Preston Care and Repair	13.7%	£6,400	Nil	Nil	13.7% plus £6,400	13.7%	13.7%
Progress Housing Group Ltd	17.9%	-2.3%	-2.3%	-2.3%	15.6%	15.6%	15.6%
QEGS Blackburn Ltd	16.5%	-0.3%	-0.3%	-0.3%	16.2%	16.2%	16.2%
Ribble Valley Homes Ltd	18.9%	-10.2%	-10.2%	-10.2%	8.7%	8.7%	8.7%
Rossendale Leisure Trust	13.6%	-2.1%	-2.1%	-2.1%	11.5%	11.5%	11.5%
Surestart Hyndburn	13.8%	£22,400	£23,200	£24,100	13.8% plus £22,400	13.8% plus £23,200	13.8% plus £24,100
The Ormerod Home Trust Ltd.	21.2%	£33,600	£34,900	£36,200	21.2% plus £33,600	21.2% plus £34,900	21.2% plus £36,200
Together Housing	14.7%	£87,700	£90,900	£94,300	14.7% plus £87,700	14.7% plus £90,900	14.7% plus £94,300
University of Cumbria	14.0%	£608,700	£631,200	£654,600	14% plus £608,700	14% plus £631,200	14% plus £654,600
Wyre Housing Association	19.3%	£257,600	£267,100	£277,000	19.3% plus £257,600	19.3% plus £267,100	19.3% plus £277,000

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Admitted bodies (contractor)							
Alternative Futures Group Ltd	22.2%	-22.2%	-22.2%	-22.2%	0%	0%	0%
Andron (formerly Solar)	21.3%	-21.3%	-21.3%	-21.3%	0%	0%	0%
Bootstrap Enterprises Ltd	18.8%	-17.9%	-17.9%	-17.9%	0.9%	0.9%	0.9%
Bulloughs (Carr Head)	25.6%	£500	Nil	Nil	25.6% plus £500	25.6%	25.6%
Bulloughs (Lytham Hall)	21.0%	Nil	Nil	Nil	21%	21%	21%
Bulloughs (Our Lady)	16.8%	-7.3%	-7.3%	-7.3%	9.5%	9.5%	9.5%
Burnley Leisure	13.6%	-2%	-2%	-2%	11.6%	11.6%	11.6%
Capita (Rossendale BC)	20.7%	-20.7%	-20.7%	-20.7%	0%	0%	0%
Catering Academy Ltd	20.1%	-20.1%	-20.1%	-20.1%	0%	0%	0%
Caterlink (Mount Pleasant)	16.8%	-1.9%	-1.9%	-1.9%	14.9%	14.9%	14.9%
CG Cleaning (Kennington Rd)	22.7%	-17.4%	Nil	Nil	5.3%	22.7%	22.7%
Churchill (Holy Family)	21.4%	-16%	Nil	Nil	5.4%	21.4%	21.4%
Churchill (St Anne St Joseph)	18.5%	-2.8%	Nil	Nil	15.7%	18.5%	18.5%
Cofely FM Ltd (Blake/Cross)	26.7%	-26.7%	-26.7%	-26.7%	0%	0%	0%
Cofely FM Ltd (Lend Lease)	21.9%	-5.4%	-5.4%	-5.4%	16.5%	16.5%	16.5%
Cofely FM Ltd (Pleckgate)	18.8%	-10.8%	-10.8%	-10.8%	8%	8%	8%
Cofely FM Ltd (Witton Park)	23.2%	-3.2%	-3.2%	-3.2%	20%	20%	20%
Compass Contract Services	23.4%	-0.4%	-0.4%	-0.4%	23%	23%	23%
Compass Contract Services (UK) Ltd (Preston College)	20.9%	-0.9%	-0.9%	-0.9%	20%	20%	20%
Consultant Caterers Ltd	22.5%	-17.8%	-17.8%	-17.8%	4.7%	4.7%	4.7%
Creative Support Limited (Midway Mental health)	18.2%	-4.2%	-4.2%	-4.2%	14%	14%	14%
Creative Support Ltd	21.0%	-21%	-21%	-21%	0%	0%	0%
Elite CES Ltd (Fulwood Cadley)	19.9%	Nil	Nil	Nil	19.9%	19.9%	19.9%

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Elite CES Ltd (Moor Nook)	23.1%	Nil	Nil	Nil	23.1%	23.1%	23.1%
Elite Cleaning and Environmental Services Ltd	16.7%	-9.8%	-9.8%	-9.8%	6.9%	6.9%	6.9%
Eric Wright Facilities Management Ltd (Highfield)	20.2%	-19.5%	-19.5%	-19.5%	0.7%	0.7%	0.7%
FCC Environment	20.6%	Nil	Nil	Nil	20.6%	20.6%	20.6%
Fylde YMCA	16.5%	-16.5%	-16.5%	-16.5%	0%	0%	0%
I CARE	26.1%	-26.1%	-26.1%	-26.1%	0%	0%	0%
Ind Living Fund (Blackpool)	19.7%	-2%	Nil	Nil	17.7%	19.7%	19.7%
Lend Lease Cons.(EMEA) ICT	18.8%	-5.3%	-5.3%	-5.3%	13.5%	13.5%	13.5%
Lend Lease Cons.(EMEA) ph3	13.9%	-3%	-3%	-3%	10.9%	10.9%	10.9%
Lend Lease Construction (EMEA) Limited (Fulwood)	16.9%	-1.9%	-1.9%	-1.9%	15%	15%	15%
Liberata (UK) Ltd (Burnley)	18.7%	-1.4%	-1.4%	-1.4%	17.3%	17.3%	17.3%
Liberata UK Ltd (Pendle)	19.2%	-19.2%	-19.2%	-19.2%	0%	0%	0%
Mack Trading Int. (Ltd)	21.1%	-21.1%	-21.1%	-21.1%	0%	0%	0%
May Gurney Fleet and Passenger Services Limited	21.7%	-21.7%	-21.7%	-21.7%	0%	0%	0%
Mellor's (Bishop Rawstorne)	21.2%	-6%	-6%	-6%	15.2%	15.2%	15.2%
Mellors (Brinscall St John)	18.9%	-0.1%	-0.1%	-0.1%	18.8%	18.8%	18.8%
Mellor's (Hambleton)	27.6%	-1.7%	-1.7%	-1.7%	25.9%	25.9%	25.9%
Mellors (Queens Drive)	20.5%	Nil	Nil	Nil	20.5%	20.5%	20.5%
Mellors (Trinity, St Michael)	24.7%	Nil	Nil	Nil	24.7%	24.7%	24.7%
Mellor's (Worden)	28.8%	-28.8%	-28.8%	-28.8%	0%	0%	0%
Mellor's Catering (Belthorn)	21.1%	Nil	Nil	Nil	21.1%	21.1%	21.1%
NCP Services Ltd	23.6%	-23.6%	-23.6%	-23.6%	0%	0%	0%

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
RCCN (Basnett Nursery)	22.2%	Nil	Nil	Nil	22.2%	22.2%	22.2%
Ridge Crest Clean North Sacred	28.8%	-28.8%	-28.8%	-28.8%	0%	0%	0%
Service Alliance (Barnoldswick)	21.3%	Nil	Nil	Nil	21.3%	21.3%	21.3%
Service Alliance (Whalley)	22.2%	Nil	Nil	Nil	22.2%	22.2%	22.2%
Service Alliance Ltd (Altham)	25.7%	-3.1%	Nil	Nil	22.6%	25.7%	25.7%
Service Alliance Ltd (RCC)	26.6%	£500	Nil	Nil	26.6% plus £500	26.6%	26.6%
South Ribble Community Lesure (Serco)	13.5%	£80,400	£83,400	£86,500	13.5% plus £80,400	13.5% plus £83,400	13.5% plus £86,500
Urbaser Ltd	23.9%	£400	£400	£400	23.9% plus £400	23.9% plus £400	23.9% plus £400
West Lancashire Community Leisure (Serco)	14.9%	-14.9%	-14.9%	-14.9%	0%	0%	0%

Employer	Primary rate 2017/18 to 2019/20	Secondary rates			Total Contribution rates		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Other employers to be confirmed							
Freckleton Parish Council	TBC	TBC	TBC	TBC	TBC	TBC	TBC
PET (West Craven)	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Andron Heyhouses	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Blessed Edward Trust	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Churchill Moorside	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Clayton-le-Woods Parish Council	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Cliviger Parish Council	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Compass HHC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Education Partnership Trust	TBC	TBC	TBC	TBC	TBC	TBC	TBC
FCAT Mereside Primary Academy	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Mellors Lostock	TBC	TBC	TBC	TBC	TBC	TBC	TBC
PET	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Tauheedul Highfield Humanities	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Tauheedul Olive Birmingham	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Tauheedul Olive Bolton	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Tauheedul Olive Preston	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Taylor Shaw (Parklands HS)	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Tor View	TBC	TBC	TBC	TBC	TBC	TBC	TBC
VisionLearningTrust	TBC	TBC	TBC	TBC	TBC	TBC	TBC

Other interested bodies with no pensionable employees

Employer	Proportion of Pension Increases to be Recharged
	%
Blackpool & Fylde Society for the Deaf	100
Burnley & Pendle Development Association	100
Burton Manor Residential College	100
Ex Department of Transport	100
Ex National Health Service	100
Fylde Coast Development Association	100
Lancashire South East Probation Committee	100
Spastics Society	100

Notes:

1. Cash payments in respect of £ lump sums marked * are payable by 30 April 2017. Cash payments in respect of £ lump sums marked ** are payable by 30 April of the year in which they are due. These amounts have been reduced to reflect this early payment;
2. With the agreement of the Administering Authority employers may also opt to pay any other element of their employer contributions early, with either all three years being paid in April 2017 or payment being made in the April of the year in question. The cash amounts payable will be reduced in return for this early payment as follows:
 - Payments made in the April of the certified year will be reduced by 2.1% (i.e. the above amounts will be multiplied by 0.979)
 - 2018/19 payments made in April 2017 will be reduced by 6.3% (i.e. the above amounts will be multiplied by 0.937)
 - 2019/20 payments made in April 2017 will be reduced by 10.2% (i.e. the above amounts will be multiplied by 0.898)

For these cases the employer will need to estimate in advance the pensionable pay for the entire period, and a balancing adjustment to reflect the actual pensionable pay over the period would be made at the end of the period (no later than 19th April or 22nd April as appropriate following the year end).

3. The percentages shown are percentages of pensionable pay and apply to all members, including those who are members under the 50:50 option under the LGPS from 1 April 2014;
4. The total contributions payable by each employer each year will be subject to a minimum of zero;

5. In cases where an element of an existing Scheme Employer's deficit is transferred to a new employer on its inception, the Scheme Employer's deficit recovery contributions shown in this certificate may be reallocated between the Scheme Employer and the new employer to reflect this, on advice from the actuary.
6. There are a number of additional employers who no longer had any active members within the Fund as at the valuation date. Any final contribution requirement for these employers will be assessed by the Fund in due course on the basis of actuarial advice.

GLOSSARY

Actuarial Valuation: an investigation by an actuary into the ability of the Fund to meet its liabilities. For the LGPS the Fund Actuary will assess the funding level of each participating employer and agree contribution rates with the administering authority to fund the cost of new benefits and make good any existing deficits as set out in the separate Funding Strategy Statement.

Best Estimate Assumption: an assumption where the outcome has a 50/50 chance of being achieved.

Bonds: loans made to an issuer (often a government or a company) which undertakes to repay the loan at an agreed later date. The term refers generically to corporate bonds or government bonds (gilts).

Career Average Revalued Earnings Scheme (CARE): with effect from 1 April 2014, benefits accrued by members in the LGPS take the form of CARE benefits. Every year members will accrue a pension benefit equivalent to 1/49th of their pensionable pay in that year. Each annual pension accrued receives inflationary increases (in line with the annual change in the Consumer Prices Index) over the period to retirement.

Corporate Bond Basis: an approach where the discount rate used to assess the liabilities is determined based on the market yields of high quality corporate bond investments (usually at least AA rated) based on the appropriate duration of the liabilities being assessed. This is usually adopted when an employer is exiting the Fund.

CPI: acronym standing for “Consumer Prices Index”. CPI is a measure of inflation with a basket of goods that is assessed on an annual basis. The reference goods and services differs from those of RPI. These goods are expected to provide lower, less volatile inflation increases. Pension increases in the LGPS are linked to the annual change in CPI.

Deficit: the extent to which the value of the Fund’s past service liabilities exceeds the value of the Fund’s assets.

Discount Rate: the rate of interest used to convert a cash amount e.g. future benefit payments occurring in the future to a present value.

Employer Covenant: the degree to which an employer participating in an occupational pension scheme is willing and able to meet the funding requirements of the scheme.

Employer's Future Service Contribution Rate: the contribution rate payable by an employer, expressed as a % of pensionable pay, as being sufficient to meet the cost of new benefits being accrued by active members in the future. The cost will be net of employee contributions and will include an allowance for the expected level of administrative expenses.

Equities: shares in a company which are bought and sold on a stock exchange.

Solvency/Funding Level: the ratio of the value of the Fund's assets and the value of the Fund's liabilities expressed as a percentage.

Funding Strategy Statement: This is a key governance document that outlines how the administering authority will manage employer's contributions to the Fund.

Solvency Funding Target: an assessment of the present value of benefits to be paid in the future. The desired funding target is to achieve a solvency level of a 100% i.e. assets equal to the past service liabilities assessed on the ongoing concern basis.

Investment Strategy: the long-term distribution of assets among various asset classes that takes into account the Funds objectives and attitude to risk.

Past Service Liabilities: this is the present value of the benefits accrued by members up to the valuation date. It is assessed based on a set of assumptions agreed between the Administering Authority and the Actuary.

Prepayment: the payment by employers of contributions to the Fund earlier than that certified by the Actuary. The amount paid will be reduced compared to the certified amount to reflect the early payment.

Present Value: the value of projected benefit payments, discounted back to the valuation date.

Primary rate of the employers' contribution: the contribution rate required to meet the cost of the future accrual of benefits including ancillary, death in service and ill health benefits together with administration costs. It is expressed as a percentage of pensionable pay, ignoring any past service surplus or deficit, but allowing for any employer-specific circumstances, such as its membership profile, the funding strategy adopted for that employer, the actuarial method used and/or the employer's covenant. The Primary rate for the whole fund is the weighted average (by payroll) of the individual employers' Primary rates.

Prudent Assumption: an assumption where the outcome has a greater than 50/50 chance of being achieved i.e. the outcome is more likely to be overstated than understated. Legislation requires the assumptions adopted for an actuarial valuation to be prudent.

Real Return or Real Discount Rate: a rate of return or discount rate net of CPI inflation.

Recovery Plan: a strategy by which an employer will make up a funding deficit over a specified period of time ("the recovery period", as set out in the Funding Strategy Statement.

Secondary rate of the employers' contribution: an adjustment to the Primary rate to reflect any past service deficit or surplus, to arrive at the rate each employer is required to pay. The Secondary rate may be expressed as a percentage adjustment to the Primary rate, and/or a cash adjustment in each of the three years beginning 1 April in the year following that in which the valuation date falls. The Secondary rate is specified in the rates and adjustments certificate. For any employer, the rate they are actually required to pay is the sum of the Primary and Secondary rates. Secondary rates for the whole fund in each of the three years shall also be disclosed. These will be calculated as the weighted average based on the whole fund payroll in respect of percentage rates and as a total amount in respect of cash adjustments.

50/50 Scheme: in the LGPS, active members are given the option of accruing a lower benefit in the 50/50 Scheme, in return for paying a lower level of contribution.

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Lancashire Local Pension Board

Meeting to be held on 11 April 2017

Electoral Division affected: None

Annual review of communication between Lancashire County Pension Fund, its employers and Scheme members

(Appendices 'A' and 'B' refer)

Contact for further information: Abbi Leech, (01772) 530808, Head of Fund

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Executive Summary

This report presents the annual review of communication between Lancashire County Pension Fund, its employers, and scheme members.

Recommendation

The Board is asked to note the contents of the report and comment as appropriate.

Background and Advice

A copy of the Fund's Communication Policy Statement is attached at Appendix 'A'.

A number of principles underpin Fund communication and they are to: -

- Provide clear, accurate and timely communication about the Local Government Pension Scheme to all stakeholders.
- Actively promote the Scheme to prospective members and their employers.
- Take a multimedia approach in recognition that different styles and methods of communication suit different stakeholders.
- Use and encourage the use of electronic/online communication and information sharing.
- Support Scheme employers, providing publicity and information toolkits, to enable employers to fulfil their responsibility to communicate and share information with members in relation to the Scheme.
- Treat information security with the upmost importance.

Appendix 'B' sets out how the Fund applies these principles to current employer and member communication. Over the year to date the Fund has: -

- Increased the use of online self-services.
- Improved the customer experience.
- Provided support for employers and Scheme members

This pro-active approach to communication will continue to evolve as new technology and customer expectation dictate the pace of change. In light of the activity undertaken and the results achieved it is not proposed to make any changes to the Fund's Communications Policy Statement.

The Board is asked to note the contents of the report and comment as appropriate.

Consultations

N/A

Implications:

N/A

Risk management

N/A

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A

Lancashire County Pension Fund

**Local Government Pension Scheme
Communication Policy Statement**

1 April 2014

Lancashire County Council
as administering authority of
**Lancashire County Pension
Fund**

Local Government Pension Scheme

Communication Policy Statement

Introduction

This is the Communication Policy Statement of Lancashire County Pension Fund which is administered by Lancashire County Council; the administering authority. All Local Government Pension Scheme (LGPS) administering authorities in England and Wales are required to prepare maintain and publish a written statement setting out their policy concerning communications with: -

- **Members;**
- **Representatives of members;**
- **Prospective members; and**
- **Scheme Employers**

In particular, the statement must set out their policy on: -

- ***The provision of information and publicity about the Scheme to members, representatives of members and Scheme Employers;***
- ***The format, frequency and method of distributing such information or publicity; and***
- ***The promotion of the Scheme to prospective members and their employers.***

Policy

Lancashire County Pension Fund recognises the government's objective to help people save for their retirement and will aim to: -

- ***Actively encourage the provision of good pension information and the promotion of pensions in the workplace.***
- ***Increase transparency and build trust, confidence and engagement in pension saving as the norm.***

To achieve its aim the administering authority will undertake to: -

- ***Provide clear, accurate and timely communication about the Local Government Pension Scheme to all stakeholders.****
- ***Actively promote the Scheme to prospective members and their employers.***
- ***Take a multimedia approach in recognition that different styles and methods of communication suit different stakeholders***
- ***Use and encourage the use of electronic/online communication and information sharing.***
- ***Support Scheme employers, providing publicity and information toolkits, to enable employers to fulfil their responsibility to communicate and share information with members in relation to the Scheme.***
- ***Treat information security with the upmost importance.***

Communication Policy Statement

Communication Programme

The Fund will regularly review the format, frequency and method of communication. The following programme is currently in use.

Information	Stakeholder*	Format	Frequency	Method of distribution
Actuarial Valuation	All Stakeholders	Presentation, formal report,	Triennial with annual updates	Email, mail, website and face to face briefings.
Fund Policy and Statements	All Stakeholders	website	As amended	Mail/email
Annual Benefit Statements	Members	Online self service	Annual	Online/email alert
Customer Satisfaction Survey	All Stakeholders	Website	Ongoing	Click question
Member Guides	Members	website	On or before employment. On request	Via employer HR/payroll departments Mail/intranet
Employer Updates	Employer	Website, online	As required	email/internet
Pensioner payslips/P60's	Member	Online self service, paper	Annually	email/mail
Employer Guide	Employer	Website,	As amended	email /internet
Employer Training	Employer	Presentation Webcast	On request in line with SLA	Face to face – In house Employer locations. Website
Factsheets	All members	Paper/website	On request / as required	Mail/email/ internet

Communication Policy Statement

Individual member information	All Stakeholders	Paper, Online self service	As required	Mail, email
Employer information pack	Employer	Paper/website	On Admission	Face to Face
Newsletters	Members	Paper/website	Annual	Online
Scheme change and legislative change	All Stakeholder	Presentation/webcast Website	As required and on request	Face to face/internet
Fund Report and Accounts	All Stakeholders	Paper/website	Annually	Mail/email/ internet
Service Level Standards	All Stakeholders	website	As amended	Internet /intranet
Query	All Stakeholders	Telephone/email/online	Mon – Fri	Telephone/email/ Online

**Stakeholders are defined as members, representatives of members, prospective members and employers (members are defined as active, deferred or pensioner members).*

Scheme Regulations and Overriding Legislation

Lancashire County Pension Fund undertakes to comply with Local Government Pension Scheme Regulations and the relevant Overriding Legislation; In particular, the Fund undertakes to comply with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 [2013/2734]. A full list of Scheme and related legislation is set out below: -

Local Government Pension Scheme Regulations 2013 [2013/2356]

Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 [2014/]

Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 [2013/2734]

And the following Acts (including relevant secondary legislation made under each Act not mentioned above)

Communication Policy Statement

Finance Act 2004 [c.12]

Pension Schemes Act 1993 [c.48]

Pensions Act 1995 [c.26]

Pensions Act 2008 [c.30]

Public Service Pensions Act 2013 [c.25]

Welfare Reform and Pensions Act 1999 [c.30]

Pensions (Increase) Act 1971 [c.56]

Data Protection Act 1998 [c.29]

Review

This statement will be reviewed where there is any material change to the Funds policy in respect of communication.

Employer and Member Communication Review

Purpose

To inform the Local Pension Board of how the Fund has communicated with its employers and Scheme members over the year to date, as part of the annual review of the effectiveness and appropriateness of the Communications Policy Statement.

Communications Activity

Communication and information is provided via various media including website, telephone, email, on-line/self-service, mail, face-to-face and conferencing.

Website

The website www.yourpensionservice.org.uk is at the heart of the Fund's communication activity and provides both employers and members with pension related information including: -

- Scheme Guides, leaflets and forms.
- New starter information.
- Current news and updates.
- Annual Newsletters.
- Fund documents, statements and information.
- Contact details.

The website also includes access to a member self-service portal and an employer area containing a comprehensive employer procedure guide, access to e-forms, access to an employer self-service portal and a monthly data collection portal.

Telephone

A dedicated telephone helpdesk provides the first point of contact for scheme members and employers and includes email access. Over the year call contact has increased from 60,000 calls during 2015/16 to 63,000 calls over the year to date. Emails remain steady at 30,000 emails received and handled over the year to date.

Email

Over the year the number of member email addresses held by the Fund has increased from 45,000 to 46,000 and email is increasingly used to communicate with members to alert them that information has been posted online, for example; annual benefit statements, newsletters, and pensioner P60's. Evidence provided by Heywood, the supplier of the pension administration system, indicates that the Lancashire Fund holds more member email addresses and has more members registered for the self-service portal than any of their other LGPS user sites which include some significantly larger funds.

Email is our default mechanism in respect of communicating with our Employers. Bulletins, newsletters and event invites are sent to employers on a regular basis, as appropriate.

On-line/self-service

Employer and Scheme member self-service portals are accessed via the website. Over the year to date there has been an increase of 10% in self-service registrations.

Members can view their details and make changes to address, bank and contact details. Members can also process various pension estimates to assist with planning for retirement. Members can also access their annual benefit statements. Pensioners have access to their payslips and P60's online. The telephone helpdesk assist Scheme members to register and access their online accounts.

Employers can view, check and amend their employee pension records and also process various pension estimates online. Employers receive one to one training on request to assist them to access and use the self-service function

Mail

Traditional paper mail remains a constant in terms of day to day transactional administration services although, as more transactions are processed through self-service portals, the volume of paper mail is expected to reduce over time.

Face to Face

Pension surgeries are hosted throughout the county on an annual basis from October through to March, specifically to help members understand their annual benefit statements, although any member can attend so that their queries can be dealt with face to face. Fourteen surgeries have been held across Lancashire since October 2016.

Drop-in sessions are hosted during the year where members (including pensioners) can be helped through the process of registering to use the online self-service portal. Four drop in sessions have been held over the year.

The Partnerships Team visits employers (with more than 100 active members) on an annual basis in order to maintain relationships, update employers of any change affecting them and to address any issues that may have arisen during the year. 32 visits have been carried out across Lancashire over the year to date.

Events

A number of conferences and events are held annually and throughout the year, as well as providing representation at employer-led events upon request, including:

- Presenting at new starter induction courses.
- Presenting at pre-retirement courses

- Undertaking 'scheme basics' presentations
- Facilitating an annual Fund members meeting.
- Hosting an annual employer practitioner conference.
- Facilitating an annual employer briefing event
- Hosting Road-shows when significant change to the scheme occurs.
- Undertaking tailored presentations at the request of scheme employers.

It is worth noting that the Fund was represented at 29 pre-retirement courses throughout Lancashire this year.

Employer specific communication over the year

2016 Actuarial Valuation

The Fund has hosted employer briefings for specific employer groups, one to one meetings were offered to all employers and taken up by 44 employers, providing background and detailed information in respect of the interim and final results of the triennial actuarial valuation of the Fund. This formed part of a comprehensive process of engaging, consulting and supporting employers through the actuarial valuation process and the production of the Funding Strategy Statement working alongside the fund actuary.

Online services

Over 100 employers are registered to access the employer self-service portal. Training sessions have been carried out for 9 employers over the year. This bespoke training helps employers to understand how to access information, process various estimates themselves and calculate the employer cost of various types of retirement, for example flexible retirement or early retirement.

Data collection

Monthly data is now collected from 90% of employers (encompassing 99% of the active scheme membership), improving data quality and providing real-time information for members using online services.

Member specific communication over the year

Missing members

An exercise was carried out for the first time this year to trace deferred members whose addresses were known to be inaccurate as a result of post being returned. This resulted in almost 3,000 members having their addresses updated and being reconnected with their pension entitlement. This indicates a 71% success rate. The exercise is still ongoing and is nearing completion.

Customer experience

The customer experience in respect of the retirement process has been tracked throughout the year. The average time taken from notification of the intention to retire to receipt of first pension payment has reduced by 20% over the year to date.

Developments

A new facility to publish documents via the self-service portal has been implemented providing information direct to the Scheme member's online account. The member

receives email notification that a document is available to be accessed online. For example, leaver statements are now published online, where possible. Leavers are the highest volume of member transactions (5,000 leaver statements have been produced this year so far) and this new development is expected to result in less paper mail and an improved service; providing faster, more secure, online access to important information.

Feedback

Over the year 29 compliments were received. In the main these related to good customer service.

Over the same period 38 complaints were received which in the main related to late payment of pension and time taken to receive paperwork.

Service improvements and developments are expected to increase compliments and reduce complaints in the future. For example focussing on providing information online and providing employers with tools to help them provide timely information should reduce complaints around payment of pension and time taken to receive information.

Future Developments

A number of developments are planned over the coming period which will support improvements in the way in which the Fund interacts with members and employers. These include:

- The introduction of an automated final pay calculator which is currently being piloted amongst 8 employers. This development will assist employers in sending timely and accurate information to the Fund in respect of Scheme members who leave employment or retire. This will address one of the significant contributors to delays during the retirement process.
- Upgrades to improve the look and feel of both the member and employer self-service modules are due to be implemented over the coming year.
- The addition of further functionality to the monthly data collection portal and a review of how online forms are used will also be carried out in the coming year.
- A revised customer survey will be introduced to the website to better track customer satisfaction and to understand where improvements to communications would be most effective.

Lancashire Local Pension Board

Meeting to be held on Tuesday, 11 April 2017

Electoral Division affected: None

Work Plan 2017/18

(Appendix A refers)

Contact for further information: Abigail Leech, 01772 530808, Head of Fund,
abigail.leech@lancashire.gov.uk

Executive Summary

This report sets out the work plan for the Local Pension Board for 2017/18.

Recommendation

The Board are asked to review the plan set out in Appendix 'A'.

Background and Advice

The 2017/18 work plan set out at Appendix 'A' details both the timing and frequency of work to be undertaken and has been designed to ensure that all the responsibilities set out in the Board's Terms of Reference can be met.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The Pension Board is required under regulations to secure compliance and ensure the effective, efficient governance and administration of the Fund.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Tel
N/A		

Reason for inclusion in Part II, if appropriate
N/A

Lancashire Local Pension Board – Work Programme 2017/18

Report	Meeting Date				
	17 th Jan 2017	11 th Apr 2017	4 th Jul 2017	17 th Oct 2017	23 rd Jan 2018
Introductory Matters					
Standard items – Welcome/Apologies, Disclosure of interests, Minutes of Previous Meeting, Urgent business, date of next business, exclusion of press and public	Y	Y	Y	Y	Y
Chair's report on the appraisal of the Pension Board	Y				Y
Work Plan	Y	Y	Y	Y	Y
Feedback from Board members on attendance at training events and conferences	Y	Y	Y	Y	Y
Annual Review of Member Training Records				Y	
Reports considered by the recent Pension Fund Committee	Y	Y	Y	Y	Y
Governance Structure	Y				Y
LPP Administration Transformation Plan	Y			Y	
Review of induction pack for new Board members			Y		
Key Policy Documents					
Terms of reference for Board (Annual Review)	Y	Y			Y
Termination Policy (Annual Review)			Y		
Governance Policy Statement (Annual Review)			Y		
Pensions Administration Strategy Statement (Annual Review)			Y		
Funding Strategy Statement (Triennial Review)		Y			
Investment Strategy Statement – dependent on investment panel work-plan (Triennial Review)				Y	
Administration Performance Report (Annual Review)			Y		
UK Stewardship Code Compliance (Annual Review)			Y		
Actuarial Report (Triennial Review)		Y			
Communications Policy Statement (Triennial Review)		Y			
Governance					
Lancashire Local Pension Board – Annual Report			Y		
Review of audited Lancashire County Pension Fund Annual Report, including Statement of Accounts (already published by this stage)				Y	
Review and agree narrative for inclusion in Pension Fund Annual Report and Statement of Accounts			Y		
Review of internal and external audit reports				Y	
Progress of pooling arrangements			Y		
Annual review of Fraud Control Framework				Y	

Report	Meeting Date				
	17 th Jan 2017	11 th Apr 2017	4 th Jul 2017	17 th Oct 2017	23 rd Jan 2017
Review of compliance with Code of Practice 14				Y	
Review of compliance with Lancashire Annual Governance Policy Statement			Y		
Review of scheme risk register (bi-annual)			Y		Y
High level scrutiny of LPP (annual review)			Y		
Monitor employer and administrating authority discretions (Triennial Review)				Y	
Performance					
Monitoring of KPIs for administration, complaints, governance and investments	Y	Y	Y	Y	Y
Pension Fund Administration Service Quality of Service Report			Y		
Data quality			Y		
Financial Monitoring					
Annual monitoring of investment costs including custodian and transaction costs				Y	
Pension Fund Budget		Y			
Breaches reported to Pension Fund Committee since last meeting	Y	Y	Y	Y	Y
Contributions monitoring				Y	
Communications and updates to employers and members					
Scrutiny of all annual documents and processes including communications to employers and members, formal reports and internal/external reports					
Assistance with communication to employers and members as arising out of regulations and current issues.	Y	Y	Y	Y	Y
Compliance of employers with their statutory duty under the Scheme.				Y	

Advanced Work Plan	2018/19	2019/20	2020/21	2021/22	Beyond
Actuarial Valuation		Y			2022/23
Funding Strategy Statement		Y			2022/23
Investment Strategy Statement		Y			2022/23
Communication Policy Statement		Y			2022/23
Pension Administration Strategy Statement			Y		2023/24
Employer and administering authority discretions			Y		2023/24

Lancashire Local Pension Board

Meeting to be held on Tuesday, 11 April 2017

Electoral Division affected: None

Feedback from Board Members on Recent Training Events and Conferences

Contact for further information: Mike Neville (01772) 534261, Legal and Democratic Services mike.neville@lancashire.gov.uk

Executive Summary

This report provides members of the Board with an opportunity to provide feedback on training events and conferences which they have attended since the last meeting.

Recommendation

The Board is asked to note the report and any feedback presented at the meeting.

Background and Advice

The Pension Fund Committee at its meeting on 29th January 2016 approved a refreshed training plan for members of the Committee. As with the previous plan, the purpose of the refreshed plan was to ensure best practice within the Fund, and to comply with the Public Service Pensions Act 2013.

Members and officers are also required to undertake training to satisfy the obligations placed upon them by the:

- Myners Principles (as detailed in the Statement of Investment Principles);
- Pensions Regulations and the Pensions Regulator;
- Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Public Sector Pensions Finance Knowledge and Skills; and the
- Local Government Pension Scheme (LGPS) Governance Compliance Statement.

It is appropriate that the same principles be extended to the operation of the Board and that members of the Board therefore provide verbal feedback at the subsequent Board meeting to cover:

- Their view on the value of the event and the merit, if any, of attendance
- A summary of the key learning points gained from attending the event; and

- Recommendations of any subject matters at the event in relation to which training would be beneficial to Board Members.

The following workshops and events have been attended by Board Members since the last meeting:

25th January 2017 - Workshop on Global Custody Services at County Hall, Preston, attended by C Gibson, K Haigh, R Harvey, Y Moulton

22nd February 2017 - Workshop on Risk at County Hall, Preston attended by K Haigh, R Harvey, County Councillor Martin and S Thompson.

1st March 2017 - The 2016/17 LGPS Local Pension Board Seminar in Leeds attended by Y Moulton and S Thompson.

Those members of the Board who are present at the meeting will be asked to provide feedback on the above.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Without the required knowledge and skills members of the Board may be ill-equipped to make informed considerations regarding the direction and operation of the Pension Fund.

Financial

The cost of attendance, together with travel and subsistence costs is met by the Pension Board.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Tel
Attendance at Conferences approved under the Scheme of Delegation to Heads of Service	2017	Abigail Leech, (01772) 530808

Reason for inclusion in Part II, if appropriate

N/A

Lancashire Local Pension Board

Meeting to be held on Tuesday, 11 April 2017

Electoral Division affected: None

Part I reports considered by the Pension Fund Committee in March 2017

(Appendix 'A' refers)

Contact for further information: Mike Neville, Tel: (01772) 533431, Senior Democratic Services Officer, mike.neville@lancashire.gov.uk

Executive Summary

This report sets out a list of Part I reports which were recently considered by the Pension Fund Committee

Recommendation

The Board is asked to note the Part I reports considered by the Pension Fund Committee at its meeting on the 17th March 2017 as referred to in the report and to comment as appropriate.

Background and Advice

At the meeting on the 17th March 2017 the Pension Fund Committee considered the following reports in Part I of the agenda which were available to the press and public.

4. Proposed revised Terms of Reference for the Lancashire Local Pension Board.

A copy of the new Terms of Reference of the Board are attached as Appendix 'A' to this report.

5. LCPF Budget 2017/18.
6. Funding Strategy Statement.
7. 2016-17 Audit Plan.
8. Feedback from members of the Committee on external pension related training, events and conferences.
9. Programme of Meetings 2017/18.

Members of the Board previously received notification when the Committee agenda was published and available to view on the County Councils website at <http://council.lancashire.gov.uk/ieListDocuments.aspx?CId=183&MId=6454&Ver=4>

A copy of the agenda was also available to view in the Pensions Library.

The Head of Fund will update members of the Board in relation to any decisions taken regarding the above reports.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There are no significant risk management implications.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
Pension Fund Committee agenda and minutes	17 th March 2017	Mike Neville, Democratic Services 01772 533431

Reason for inclusion in Part II, if appropriate
N/A

Terms of Reference of the Lancashire Local Pensions Board

1. Role and remit of the Board.

- a) To assist Lancashire County Council as Administering Authority in its role as Scheme Manager:
 - i. to secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS;
 - ii. to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator; and
 - iii. in such other matters as the LGPS regulations may specify
- b) To ensure the effective and efficient governance and administration of the LGPS for the Lancashire County Pension Fund;
- c) To provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.
- d) To review and scrutinise governance processes and procedures to ensure that the Lancashire County Pension Fund is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.
- e) To meet sufficiently regularly to discharge its duties and responsibilities effectively, but not less than four times in any year.
- f) To review the key policy documents to ensure they are fit for purpose.
- g) The Pension Board must assist the Scheme Manager with such other matters as the scheme regulations may specify. It is for scheme regulations and the Scheme Manager to determine precisely what the Pension Board's role entails. This role involves but is not limited to oversight and comment on:
 - i Assist with the development of improved customer services
 - ii monitor performance of administration, governance and investments against key performance targets and indicators.
 - iii Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority
 - iv Monitor investment costs including custodian and transaction costs.

- v Monitor internal and external audit reports.
 - vi Review the Risk Register as it relates to the scheme manager function of the Authority.
 - vii Assist with the development of improved management, administration and governance structures and policies.
 - viii Review the outcome of actuarial reporting and valuations.
 - ix Assist in the development and monitoring of process improvements on request of Committee.
 - x Assist in the development of asset voting and engagement processes and compliance with the UK Stewardship Code.
 - xi Any other area within the core function (ie. Ensuring effective and efficient governance of the Scheme) the Board deems appropriate.
- h) To review the outcome of internal and external audit reports in relation to the Fund.
 - i) To make such recommendations to the Pension Fund Committee and/or Full Council as it considers appropriate in relation to any matter that the Board considers may improve the performance of the Fund
 - j) To submit in March each year a proposed annual work plan to the Pension Fund Committee for the forthcoming financial year
 - k) To carry out any activities relating to the efficient governance and administration of the Fund which the Pension Fund Committee or Full Council may request the Board to undertake

2. Membership and Appointment Process

The Pension Board shall consist of 9 members and be constituted as follows:

- a) 4 employer representatives, of whom:
 - i. 2 shall be nominated by Lancashire County Council, where these are councillors or officers they shall meet the requirements of the relevant regulations in relation to avoidance of conflict with the County Council's role as Administering Authority;
 - ii. 1 shall be nominated by the Unitary, City, and Borough Councils and the Police and Fire bodies which are employers within the Lancashire County Pension Fund; and

- iii. 1 shall be nominated by all other employers within the Fund.
- b) 4 scheme member representatives of whom:
 - i. 2 shall represent and be drawn from active members of the Lancashire County Pension Fund;
 - ii. 1 shall represent and be drawn from pensioner members of the Lancashire County Pension Fund; and
 - iii. 1 shall represent and be drawn from deferred members of the Lancashire County Pension Fund.
- c) 1 independent member selected by the Scheme Manager, who shall not be a member of the Lancashire County Pension Fund and who shall be appointed as Chair of the Board. Such appointment will only be made following an openly advertised competition for the role.

Members in all categories will only be appointed to the Board by the Scheme Manager if they meet the skill and knowledge requirements set out in the relevant regulations and guidance, and as set out in Section 7 below.

Members of the Board in categories a) iii., and b) i., ii., and iii., shall only be appointed after all employers or members of the Fund in those categories have been invited to put forward nominations. Where there is more than one nomination in any category then any nominee who meets the relevant knowledge and skills requirement will be included on a ballot of all members or employers in the relevant category. The winner in such a ballot will be the candidate with the greatest number of votes under the "first past the post" method.

Members of the Board will serve for a maximum of 8 years. Other than as a result of retirement at the expiry of this period the term of office will come to an end:

- a) For employer representatives who are councillors if they cease to hold office as a councillor;
- b) For employer representatives who are not councillors when they cease to be employed by the employing body where they were employed on appointment;
- c) For scheme member representatives if they cease to be a member of the relevant member group.

Each Board member should endeavour to attend all Board meetings during the year and is expected to attend all meetings. Given the nature of the Board as a supervisory body and the need for appropriate knowledge and skills and the clear avoidance of conflicts of interest substitute members are not permitted.

In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Scheme Manager.

Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by the unanimous agreement of all of the other members. The removal of the independent member requires the consent of the Scheme Manager.

3. Quorum

The Board shall not be quorate unless the Chair and at least 2 employer representatives and 2 scheme member representatives are present.

4. Code of Conduct and Conflict of Interests Policy for Board Members, Officers and Advisors

The role of Pension Board members requires the highest standards of conduct and therefore the “seven principles of public life” will be applied to all Pension Board members and embodied in their code of conduct.

The Code of Conduct and the Boards policy in relation to conflict of interests is attached as Annex 'A'.

5. Board Review Process

The Board will undertake each year a formal review process to assess how well it and its members are performing with a view to seeking continuous improvement in the Board's performance.

6. Advisers to the Board

The Board may be supported in its role and responsibilities through the appointment of advisers, in addition to the Scheme Manager's officers and the Fund's various advisers and shall, subject to any applicable regulation and legislation from time to time in force, consult with such advisers to the Board and on such terms as it shall see fit to help better perform its duties.

The Board shall ensure that the performance of the advisers so appointed is reviewed on a regular basis.

7. Knowledge and Skills

A member of the Pension Board must be conversant with:

- a) The legislation and associated guidance of the Local Government Pension Scheme (LGPS).
- b) Any document recording policy about the administration of the LGPS which is for the time being adopted by the Lancashire County Pension Fund.

A member of the Pension Board must have knowledge and understanding of:

- a) The law relating to pensions, and
- b) Any other matters which are prescribed in regulations.

It is for individual Pension Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board.

In line with this requirement Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.

Pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.

Pension Board members will comply with the Scheme Manager's training policy.

8. Board Meetings – Notice Minutes and Reporting

The Scheme Manager shall give notice to all Pension Board members of every meeting of the Pension Board, and shall ensure that all papers are published on the Lancashire County Pension Fund Website at least 5 working days prior to each meeting. These may at the discretion of the Scheme Manager be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.

The Scheme Manager shall ensure that a formal record of Pension Board proceedings is maintained. Subsequent to each meeting the Chair will be asked to approve the minutes for publication as a draft and circulation to all members of the Board.

The Pension Board shall produce an Annual Report on both the nature and effect of its activities for consideration by the Administering Authority. The

contents of this annual report will be subject to consideration and agreement at a meeting of the Board, but should include, inter alia:

- a) Details of the attendance of members of the Board at meetings;
- b) Details of the training and development activities provided for members of the Board and attendance at such activities;
- c) Details of any recommendations made by the Board to the Scheme Manager and the Scheme Manager's response to those recommendations;
- d) Details of the costs incurred in the operation of the Board

The Board in considering items of business at its ordinary meetings shall in relation to each item consider whether it wishes to make a recommendation to the Scheme Manager, to which the Scheme Manager shall respond at the subsequent meeting.

9. Decision making

Each member of the Pension Board will have an individual voting right but it is expected the Pension Board will as far as possible reach a consensus. The Chair of the Pension Board will not have a final deciding vote.

10. Publication of Pension Board information

Scheme members and other interested parties will want to know that the Lancashire County Pension Fund is being efficiently and effectively managed. They will also want to be confident that the Pension Board is properly constituted, trained and competent in order to comply with scheme regulations, the governance and administration of the scheme and requirements of the Pension Regulator.

Up to date information will be posted on the Lancashire County Pension Fund website showing

- The names, contact details and other relevant information about the Pension Board members;
- How the scheme members are represented on the Pension Board
- The responsibilities of the Pension Board as a whole;
- The full terms of reference and policies of the Pension Board and how they operate;
- Details of the Pension Board appointment process;
- Any specific roles and responsibilities of individual Pension Board members.

The Scheme Manager will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

11. Accountability

The Pension Board will be collectively and individually accountable to the Scheme Manager.

12. Expense Reimbursement and Remuneration

All members of the Board shall, on the production of relevant receipts be reimbursed for travel and subsistence expenses they have actually and necessarily incurred in the conduct of their duties as a member of the Board, including attendance at relevant training and development activities.

Members of the Board shall be reimbursed a mileage allowance for use of their own car at the rate proscribed by HM Revenues and Customs from time to time as adopted by Lancashire County Council.

Where members of the Board are in employment their employer will be able to reclaim from the Lancashire County Pension Fund a sum equivalent to salary, employers' national insurance contributions and employers' pension contributions, in respect of time spent by the individual in fulfilling their duties as a member of the Board, including attendance at relevant training and development activities.

The Chair of the Board shall receive a fixed annual allowance set initially (2015) at £10,000 pa (in addition to travel and subsistence expenses) to be inflated in April each year by the Retail Price Index for the previous September.

13. Reporting Breaches

Any breach brought to the attention of the Pension Board, whether potential or actual, shall be dealt with in accordance with the procedure set out in a separate policy [document](#).

14. Definitions

The undernoted terms shall have the following meaning when used in this document:

"Pension Board" or "Board"	Means the local Pension Board for the Lancashire County Council as administering authority for the Lancashire County Pension Fund as required under the Public Service Pensions Act 2013
"Scheme Manager"	Means the Pension Fund Committee as administering authority of the Lancashire County Pension Fund.
"Chair"	The individual responsible for chairing meetings of the Board and guiding its debates.
"LGPS"	The Local Government Pension Scheme as constituted by the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 and The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009
"Scheme"	Means the Local Government Pension Scheme as defined under "LGPS"

ANNEX A

Lancashire Local Pension Board Code of Conduct and Conflict of Interests Policy for Members, Officers and Advisors

You are a member of the Lancashire Local Pension Board and hence you shall have regard to the following principles - selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Officers are subject to the County Council's Code of Conduct for Employees and are only required to submit a completed Notification of Interests (Annex 2) where that conflict of interest is not covered in the County Council's Code of Conduct for Employees. Officers should make any declarations, such as receipt of any gift or hospitality in excess of £25, under the County Council's Code of Conduct for Employees.

Accordingly, when acting in your capacity as a member, officer or advisor:

- You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.
- You must not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.

When carrying out your public duties you must make all choices on merit.

- You are accountable for your decisions to the public and you must co-operate fully with whatever scrutiny is appropriate to your office.
- You must be as open as possible about your decisions and actions and the decisions and actions of the Board and should be prepared to give reasons for those decisions and actions.
- You must declare any disclosable financial or non-financial interests that relate to your public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests in a manner conforming with procedures set out below.

- You must always treat people with respect, including the organisations and public you engage with and those you work alongside.
- You must behave in accordance with all legal obligations, alongside any requirements contained within this Board's policies, protocols and procedures, including the Conflicts of Interests Policy at Appendix A.
- You must promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example.
- You must take account of relevant advice from professional officers and advisors, taking all relevant information into consideration, remaining objective and making decisions on merit.

You should:

- Notify the Monitoring Officer of any disclosable pecuniary interest within 28 days of appointment;
- Disclose a disclosable pecuniary interest at a meeting if it is not on the register;
- Notify the Monitoring Officer within 28 days of a disclosable pecuniary interest that is not on the register that you have disclosed to a meeting;
- Not participate in any discussion or vote on a matter in which you have a disclosable pecuniary interest;
- Not, knowingly or recklessly, provide information that is false or misleading in notifying the Monitoring Officer of a disclosable pecuniary interest or in disclosing such interest to a meeting.

Failure to comply with the above would constitute a breach of the Code of Conduct. Members should be aware that in certain circumstances a serious breach of the Code of Conduct could be deemed to be a criminal offence.

The County Council's Monitoring Officer is:

The Director of Governance, Finance and Public Services
Christ Church Precinct, County Hall
Preston
Lancashire
PR1 8XJ

Tel: 01772 533386

Lancashire Local Pension Board

Conflict of Interests Policy

Introduction

This document outlines the approach for ensuring the Lancashire Local Pension Board is fully compliant with legislative requirements for identifying, monitoring and managing potential conflicts of interest so as to ensure that no actual conflicts of interest arise.

This policy applies to members of the Pension Board and to all officers and advisors supporting the operation of the Pension Board. References to Board Members also apply to advisors and, where appropriate, to officers, where an interest is not covered by the County Council's Code of Conduct for Employees.

The policy sets out the procedures to be followed and the checks and measures in operation to ensure the business of the Board and any decisions or actions taken by it are open, transparent and compliant.

Managing Potential Conflicts of Interest - Legislative Requirements on Pension Boards

Under section 5 (para 4) of the Public Service Pension Act 2013 it is a requirement for the regulations governing public sector pension schemes to include provisions ensuring Board Members do not have conflicts of interest. The Local Government Pension Scheme Regulations 2013 fulfil this requirement within Part 3 - Governance as follows

LGPS Regulations 2013

Regulation 108: Local Pension Boards: Conflicts of Interest

- (1) Each administering authority must be satisfied that any person to be appointed as a member of a local pension board does not have a conflict of interest.
- (2) An administering authority must be satisfied from time to time that none of the members of a local pension board has a conflict of interest.
- (3) A person who is to be appointed as a member of a local pension board by an administering authority must provide that authority with such information as the authority reasonably requires for the purposes of paragraph (1).
- (4) A person who is a member of a local pension board must provide the administering authority which made the appointment with such information as that authority reasonably requires for the purposes.

Pension Regulator Code of Practice on Conflicts of Interest

The Public Service Pensions Act 2013 extended the regulatory oversight of the Pensions Regulator (tPR) to include public sector schemes and added new provisions into the Pensions Act 2004 requiring tPR to issue a code of practice on the governance of public service pension schemes including conflicts of interest for Pension Boards.

Complying with these new requirements (Section 90A to the Pensions Act 2004) tPR issued Code of Practice no.14 (Governance and Administration of Public Service Pension Schemes) in January 2015. This Conflicts of Interest Policy has been developed having regard to the details of the code which interprets legal requirements and offers practical guidance to Administering Authorities on meeting the terms of LGPS Regulation 108 (above).

This Conflicts of Interest Policy for the Pension Board of the Lancashire County Pension Fund sets out procedures to be followed by individuals in their capacity as Board Members and as officers or advisors supporting the operation of the Lancashire Local Pension Board. In addition, individuals must also comply with all requirements placed on them by codes of conduct and other policies connected with their wider roles and responsibilities, whether as elected members, officers, salaried officials or advisors (e.g. by the County Council's Code of Conduct, and the Protocol for County Councillor/Officer Relations and their equivalents within other employer organisations).

This policy encourages the consideration of interests in their broadest sense, an approach which reinforces the expectation that Board Members, officers and advisors will maintain the highest standards of conduct in adherence with the seven principles of public life.

These principles are:

1. Selflessness
2. Integrity
3. Objectivity
4. Accountability
5. Openness
6. Honesty
7. Leadership

Conflict of Interests General

The prevention of actual conflicts of interest is reliant on the effective management of potential conflicts of interest. This entails Pension Board Members (and the officers and advisors supporting them) having a clear understanding of what a potential conflict of interest is and what they must do to ensure that no actual conflict arises.

The potential for a conflict of interest exists whenever there are underlying personal interests capable of compromising an individual's ability to act with objectivity. An interest is a personal stake or a perceived obligation (to a person, group or organisation) which is likely to prejudice an individual in the course of fulfilling the responsibilities of their role. Interests can be both financial and non-financial. Financial interests include current or prospective assets or investments, plus influences from an employment, trade, profession or contract. Non-financial interests can be many and varied but will include specific memberships or affiliations which compromise the individual's ability to think or act without bias when acting in their official capacity.

It is inevitable that Pension Board Members will have interests. Where these will potentially prejudice the exercise of functions as a member of the Pension Board by directly impacting on Board business (or will have the appearance of doing so) it is essential they are known about and managed effectively in order to protect the impartiality and standing of the Board and ensure the transparency of its operation and outcomes.

A potential conflict of interest will arise when an individual has a responsibility or duty connected to their membership of the Pension Board whilst at the same time having:

- a separate personal interest (financial or otherwise);
- a responsibility by virtue of another role or position they hold;
- a close colleague or family member with a specific responsibility or a direct interest in a particular aspect of Pension Board business.

A member of the Board does not have a financial or other interest arising merely by virtue of membership of the Local Government Pension Scheme or any connected scheme, or by membership of another local authority.

Sensitive interests

Where you consider that disclosure of the details of an interest could lead to you, or a person connected with you, being subject to violence or intimidation, and the County Council's Monitoring Officer agrees, if the interest is entered on the register, copies of the register that are made available for inspection and any published version of the register will exclude details of the interest, but may state that you have an interest, the details of which are withheld.

Under this policy, the effective management of all potential conflicts of interest will be achieved through consistent compliance with 6 clear steps:

1. identifying interests
2. disclosing interests
3. maintaining an up to date register of interests
4. declaring potential conflicts
5. managing potential conflicts
6. recording and reviewing the management actions taken

Identifying Interests

The existence of any interest fundamentally incompatible with fulfilling the role and statutory responsibilities of a Pension Board Member will be identified as part of the appointment process and will ultimately prevent an individual from being appointed to the Board.

Following their appointment to the Pension Board, all Board Members are required to identify any interests held directly by themselves or by close family or contacts which have the potential to lead to a conflict of interest.

This identification of interests involves detailed reflection on the role and specific responsibilities of the Pension Board and its members which are as set out in the Terms of Reference for the Pension Board.

Examples of the most common interests and the scenarios in which they may cause a conflict to arise are included at **Annex 1**.

Disclosing Interests

Board Members are required to complete and submit an interim disclosure form in advance of attending their first Pension Board meeting.

Thereafter Board Members will be required to disclose all financial and non financial interests including the receipt of any gift or hospitality (received or declined) in excess of £25 via the completion and submission of the form at **Annex 2**. A definition of financial and non-financial interests is set out at **Annex 3**.

Where no relevant interests are identified by a Board Member, they must submit a nil return to evidence that they have complied with the requirement to identify and disclose all relevant interests. Officers, in line with the County Council's Code of Conduct for Employees, are not required to submit a nil return

It is the responsibility of each Board Member to regularly consider and review their relevant interests and to submit a further disclosure form within 28 days of becoming aware of any changes to an interest previously disclosed or of any new interest not previously disclosed.

All Board Members must review their interests and submit an updated disclosure annually. For Board Members with no relevant interests this will involve the submission of a new nil return. Making an updated return on each anniversary of their appointment to the Board will assist Lancashire County Council (as the administering authority) to fulfil the requirement to be satisfied from time to time that none of the members of a local pension board has a conflict of interest.

Completed disclosure forms must be submitted to the Head of Legal and Democratic Services at the address below who will review the completeness of the disclosure form and confirm it has been signed and dated by the appropriate Board Member before the details are input onto the register.

The Head of Legal and Democratic Services
Christ Church Precinct, County Hall
Preston
Lancashire
PR1 8XJ Tel: 01772 534676

Maintaining an up to date Register of Interests

An up to date register of the interests disclosed by Pension Board Members, will be maintained by the Head of Legal and Democratic Services.

The register of interests will be held electronically with details from new declaration forms input in a timely manner.

The register will be maintained so as to provide an accurate and up to date record of all details disclosed by individual Pension Board Members, advisors and officers and the date on which their disclosures were made.

Information held in the register will form the basis of an annual review of member interests by the Pension Board.

Each review will:

- encourage a thorough reflection on relevant interests disclosed by Board Members;
- allow a comparison of the range of interests being identified by individual Board Members and support interests being universally and consistently understood;
- confirm that, during the prior period, an appropriate declaration was made on every occasion where a registered interest had (or appeared to have) the potential to impact an item of business;
- examine the effectiveness of the management approach to potential conflicts of interest;
- confirm the accuracy and completeness of record keeping in order to identify weaknesses or learning points requiring action.

A copy of the register will be available for public inspection and will be published on the County Council's website.

Declaring Potential Conflicts

Pension Board Members are personally responsible for identifying potential conflicts of interest. They must routinely review the work plan, agenda and papers of the Board in advance in order to identify any matters in which they have an interest.

Where a Board Member is aware of an interest with the potential (or appearance of having the potential) to cause a conflict they should declare this in advance of the meeting taking place by providing details to the Head of Legal and Democratic Services who will inform the Chair of the Board.

The Local Pension Board must be confident that the advice it receives from officers and advisers is independent and truly in the best interests of the Fund. For this reason officers and advisers giving advice to the Local Pension Board must declare any situation where a potential, perceived or actual conflict exists, in order that it can be appropriately managed. Declarations should be made in advance to the Head of Legal and Democratic Services who will inform the Chair of the Board.

Declaring an interest in advance provides the opportunity for adequate reflection on the most appropriate approach to managing a potential conflict, it also encourages open discussion and ensures a fully transparent approach.

All meetings of the Local Pension Board will commence with a standing agenda item which facilitates the declaration (and where necessary the disclosure and declaration) of all relevant interests.

Where it becomes apparent during the course of a meeting that an undisclosed interest held by a Board Member, officer or advisor is relevant and creates the potential (or appears to create the potential) for a conflict, this interest must be immediately drawn to the attention of the Board Chair who will determine the appropriate course of action to manage this situation.

Managing Potential Conflicts

Potential conflicts of interest will arise as a result of a variety of interests and scenarios and they fall to be managed on a case by case basis in the manner most suited to ensuring that:

- no actual conflict will arise;
- where there is the appearance of a potential conflict this is acknowledged and addressed openly;
- adequate attention is given to recording the basis for judging a declared interest to be immaterial.

The Board must determine the appropriate mechanism for managing each potential conflict. Approaches to managing potential conflicts of interest will include:

- the member for whom the potential conflict exists taking no part in discussions or voting on the matter creating the conflict;
- the member relinquishing or divesting themselves of a personal interest which is the source of a conflict of interest with their Pension Board responsibilities (where practical);
- a member considering resignation from their position if the conflict is likely to be so persistent as to limit meaningful participation in the Pension Board;
- The Scheme Manager removing the individual from the Pension Board where they consider the potential conflict is impractical to manage.

Recording the Management Approach

Details of the specific approach taken to manage potential conflicts of interest will be documented and reported upon as part of the routine business of the Board.

As an integral part of the minute taking which formally records the conduct and outcomes of Pension Board meetings, responsibility for recording and reporting on the existence of potential conflicts of interest and the management approach to preventing an actual conflict from arising rests with the Head of Legal and Democratic Services.

Wherever a relevant interest is declared, the minutes of Board meetings will record this and give details of how the potential conflict of interest was managed to prevent an actual conflict from arising.

Compliance with the approach and procedures set out within this Conflict of Interests Policy is a requirement under the Terms of Reference for the Pension Board and the Code of Conduct for Members of the Pension Board of the Lancashire County Pension Fund.

Examples of Interests Creating Potential Conflicts

The following examples of potential conflicts of interest are provided for illustrative purposes. References to Board Members also apply to advisors and, where appropriate, to officers, where an interest is not covered by the County Council's Code of Conduct for Employees.

Circumstances where the Pension Fund invests in opportunities relating to functions undertaken by the County Council, e.g. care home provision, and where there would be a direct benefit on the County Council, would not in itself give rise to a conflict of interest.

Members of the Pension Board may be officers of the administering authority or another employer organisation within the Fund and will potentially face conflicting priorities by virtue of these two roles.

Example 1

Pension Board Members may be required to make or scrutinise a decision which will commit the Fund to injecting additional resources into improving administration and efficiency which will involve greater costs falling on employer organisations. Simultaneously, they may face pressure from their employing organisation to challenge existing budgets and to reduce expenditure on pension administration matters.

Example 2

The Local Pension Board might review a decision by the Pension Fund Committee to levy an additional charge (under the Regulations) on a group of employers whose poor performance in carrying out their statutory functions in respect of the Local Government Pension Scheme has caused the Administering Authority additional costs. Any Board Member employed by one of the affected employer organisations would need to declare their interest in order for a potential conflict to be identified and managed so as to prevent any actual conflict of interests from arising.

A Board Member might be employed by (or have some other relevant connection with) a firm providing administrative or other services to the Fund.

Example 3

Where the Board is due to discuss or monitor the performance of a supplier of administrative or other services in which a Board Member has an interest they will face a potential conflict of interests. The Board Member will need to declare their interest in order for a potential conflict to be identified and managed so as to prevent any actual conflict of interests from arising.

A Board Member may have financial or other interests which give the appearance of a conflict but which, by virtue of their nature or scale, are not ultimately material to the issue under consideration by the Board.

Example 4

A Board Member holds shares in a company that provides services to the Fund. The shares are valued at a few hundred pounds and the company's value is many tens of millions. The Pension Board is reviewing the performance of the provider and a decision to extend the value and term of the contract.

In this case the Board may consider that on grounds of materiality, no conflict of interest exists. The Local Pension Board is not responsible for the decision to award the contract and the impact of the contract extension will have no effect on the company's share price. The Board Member in question should, however, still declare their interest and the minutes of the meeting should record the decision that the Board judged the interest insufficiently material to require the member to be excluded from discussing or voting on the item of business.

Lancashire Local Pension Board

Code of Conduct for Members, Officers and Advisors

Notification of Disclosable Financial and Non-Interests

I

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(insert title e.g. Mr or Mrs, and first name/surname)

as a member of Lancashire Local Pension Board have set out below the financial interests (sections 1 to 7) and the non-financial interests (sections 8 and 9) which I am required to disclose under the Code of Conduct for Board members and I have put "none" where I have no such interests under any heading

"Financial interest" means an interest which is my interest, or the interests of a close colleague or family member and I am aware that the other person has the interest. (NB. These people are referred to below as "the relevant person")

Financial Interests (see guidance notes at Annex 3)

1. Any employment, office, trade, profession, or vocation carried on for profit or gain:

<i>Description of your employment</i>	<i>Details</i>

2. Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the Lancashire County Pension Fund: (a) under which goods or services are to be provided or works are to be executed and (b) which has not been fully discharged:

<i>Description of Contract</i>

3. Any beneficial interest in land:

<i>Address/description of land</i>	<i>Nature of Interest in land</i>

4. Any licence (alone or jointly with others) to occupy land for a month or longer:

<i>Address/description of land</i>	<i>Nature of Interest in land</i>

5. Any tenancy where (to my knowledge): (a) the landlord is the Lancashire County Pension Fund; and (b) the tenant is a body in which the relevant person has a beneficial interest:

<i>Address/description of land</i>	<i>Nature of Interest in land</i>

6. Any beneficial interest in securities of a body where: (a) that body (to my knowledge) has a place of business or land associated with the Lancashire County Pension Fund; and (b) either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class:

<i>Name of Body</i>

Non-Financial Interests (see guidance notes at Annex 3)

7. Any position of general control or management, or membership of any body:

<i>Name of Body</i>	<i>Details</i>

8. Any gift or hospitality received or declined which is in excess of £25 in value:

<i>Details of Gift or Hospitality received or declined including date</i>	<i>Name and Address of Donor</i>

Signed

Date

Annex 3

Definitions

Financial Interests

Financial interest means an interest of a description specified below that is your interest, or the interest of a close colleague or family member and you are aware that that other person has the interest.

Interest	Prescribed description

Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the <u>Trade Union and Labour Relations (Consolidation) Act 1992</u>.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the Lancashire County Pension Fund:</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the Lancashire County Pension Fund.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the Lancashire County Pension Fund for a month or longer.
Corporate Tenancies	<p>Any tenancy where (to the individual's knowledge):</p> <p>(a) the landlord is the Lancashire County Pension Fund; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>

Securities	<p>Any beneficial interest in securities of a body where:</p> <p>(a) that body (to the individual's knowledge) has a place of business or land in the area of the Lancashire County Pension Fund; and</p> <p>(b) either:</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class</p>
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Non-Financial Interests

Disclosable non-financial interest means an interest of a description specified below which is your interest, a close colleague or family member and you are aware that that other person has the interest.

Interest	Description
Outside Bodies	Any position of general control or management, or membership of any body, except where you have been nominated to that body by the Board or where you are an elected Member of a local authority.
Gifts and Hospitality	Any person or body from whom you have received a gift or hospitality with an estimated value above £25 (see below)

Agenda Item 16

(NOT FOR PUBLICATION: By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

Document is Restricted

(NOT FOR PUBLICATION: By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

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Document is Restricted

Agenda Item 17

(NOT FOR PUBLICATION: By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

Document is Restricted

