

Lancashire County Council

Pension Fund Committee

**Minutes of the Meeting held on Friday, 7th March, 2025 at 10.30 am in
Committee Room 'A' - The Tudor Room, County Hall, Preston**

Present:

County Councillor Eddie Pope (Chair)

County Councillors

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|-----------------|---------------|
| M Brown | F De Molfetta |
| J Burrows | G Dowding |
| M Clifford | C Edwards |
| J Couperthwaite | A Schofield |
| R Woollam | |

Co-opted members

Ms J Eastham Further & Higher Education Institutions
Mr P Crewe, Trade Unions.
Ms S Roylance, Trade Unions.

In attendance:

Mr S Basnett, Senior Manager, Grant Thornton.
Mr S Greene, Head of Pension Fund, Lancashire County Council.
Ms M George, Independent Investment Adviser.
Mr D Crum, Independent Investment Adviser.
Mr R Cathey, Principal Lawyer, Lancashire County Council.
Mr M Neville, Senior Democratic Services Officer, Lancashire County Council.
Ms F Miller, Chair of the Lancashire Local Pension Board (remotely)
Mr C Rule, Chief Executive, Local Pensions Partnership Ltd.
Ms J Darbyshire, Director of Administration, Local Pensions Partnership
Administration Ltd.

1. Welcome and Apologies

The Chair welcomed everyone to the meeting and Mr Neville confirmed that apologies for absence had been received from County Councillor A Gardiner.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

County Councillor J Couperthwaite declared a non-pecuniary interest in relation to item 20 on the agenda as he knew the proposed new Scheme Member representative for the Lancashire Local Pension Board.

Ms J Eastham declared a non-pecuniary interest regarding item 7 as she represented FE Colleges on the Committee that would be affected by the outcome of the inter valuation contributions review.

County Councillor G Dowding declared a non-pecuniary interest in the event that any pension related investment for the Eden Project Morecambe was discussed during the meeting as she was a member Lancaster City Council.

3. Minutes of the last meeting.

County Councillor Edwards reported that he had sent his apologies for the last meeting.

Resolved: The Committee approved the Minutes of the meeting held on 6 December 2024.

4. External Audit Findings Report 2023-24

Mr S Basnett, Senior Manager at Grant Thornton, presented a report on the findings of the external audit of the Lancashire County Pension Fund annual accounts for the year ended 31 March 2024, as approved by the Audit Risk and Governance Committee on 27 January 2025.

Resolved: The Committee noted the findings and other issues raised by the external auditor in relation to the Lancashire County Pension Fund accounts 2023/24, as set out in Appendix 'A' of the report presented.

5. Budget Monitoring 24-25 - Q3

The Head of Fund presented a report on the income and expenditure of the Lancashire County Pension Fund for the 9-month period up to 31 December 2024, together with forecast variances for the financial year ending 31 March 2025.

Resolved: The Committee noted the financial results for the 9 months up to 31 December 2024 and budget and forecast variances set out in the report presented

6. Pension Fund Budget 2025-26.

The Head of Fund presented a report on a one-year budget for the Fund for the year ending 31 March 2026.

Resolved: The Committee approved the Lancashire County Pension Fund budget for the year ended 31 March 2026, as set out at Appendix 'A' to the report presented.

7. Inter Valuation Contributions Review.

The Head of Fund presented a report on the outcome of a review of employer contributions for Further Education colleges, which recommended that they move to revised contribution rates following the introduction of a guarantee by the Department for Education in November 2024



Resolved: The Committee approved that Further Education colleges move to the Category 'A' contribution rate effective from the date of the Department for Education guarantee of 12 November 2024.

8. 2024/25 Training Record and pension related training for Committee members.

The Committee considered a report on pension related activity since the last meeting and Mr Neville, Senior Democratic Services Officer, reported that County Councillors E Pope, M Clifford, J Couperthwaite, C Edwards, A Gardiner and M Brown together with Co-opted members Councillor L Johnson, Mr P Crewe and Ms S Roylance had all participated in the 28 February 2025 workshop on the 2025/26 budget for the Local Pension Partnership Ltd.

Resolved: The Committee noted the 2024/25 Training Record and participation by Committee members at external/internal training events since the last meeting as set out in the report presented and reported at the meeting.

9. Training Plan 2025/26

The Head of Fund presented a report on the draft 2025/26 Training Plan which set out various training opportunities aimed at supporting members of the Committee and the Lancashire Local Pension Board to effectively fulfil the duties of their role.

Resolved: The Committee approved the 2025/26 Training Plan, as set out at Appendix 'A' to the report presented.

10. Responsible Investment Task and Finish Group

County Councillor Schofield, as Chair of the Task and Finish Group, presented a report on the outcome of the review of the LCPF Responsible Investment Policy and the Groups consideration of preparations for the implementation of the Taskforce on Climate-related Financial Disclosures requirements.

Resolved: The Committee approved:

1. the revised LCPF Responsible Investment Policy, as set out at Appendix 'B' to the report presented and
2. the Implementation Plan for the activity required under the draft Taskforce on Climate-related Financial Disclosures (TCFD) Regulations, as attached at Appendix 'C' to the report presented.

11. Responsible Investments Report

The Head of Fund presented a detailed report from Local Pensions Partnership Investments Limited on responsible investment matters for Q3 of 2024 (1 October to 31 December 2024).



Resolved: The Committee noted the update on responsible investment activity during Q3 of 2024, as set out in the report presented.

12. Lancashire Local Pension Board Workplan 2025/26

The Committee considered a report on the 2024/25 Work Plan which included activity that came under the remit of the Board together with specific activity set out in the 2025/26 Strategic Plan. Ms F Miller, the Chair of the Pension Board highlighted a number of key themes for the coming year, including improving the member experience, oversight of key metrics for LPPA and improved governance of the Board.

Resolved: The Committee approved the 2024/25 Work Plan for the Lancashire Local Pension Board, as set out in Appendix 'A' to the report presented.

13. Urgent Business

No items of urgent business were raised under this heading.

14. Date of Next Meeting

The Committee noted that the next scheduled meeting would be held at 10.30am on Friday 20 June 2025 in Committee Room 'A' - The Tudor Room at County Hall, Preston.

15. Exclusion of Press and Public

Resolved: That the press and 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 paragraphs of Part 1 of Schedule 12A to the Local Government Act, 1972, as indicated against the heading of each item. It is considered that in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

16. LCPF Strategic Plan 2025/26.

Exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

The Head of Fund presented a report on the Lancashire County Pension Fund Strategic Plan for 2025/26, which defined key projects for the Fund and identified specific activity for the Pensions Team across six workstreams and answered questions regarding timescales for the LCC/LPPA administration risk project, future reporting to the Audit Risk and Governance Committee and the proposed recruitment of a new post within the Pensions Team.



Resolved: The Committee approved the Lancashire County Pension Fund Strategic Plan for 2025/26, as set out at Appendix 'B' to the report presented.

17. Local Pensions Partnership Administration Update

Exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Ms J Darbyshire, the Managing Director at Local Pensions Partnership Administration Ltd, (LPPA) presented a detailed report on the performance of the pension administration service for Q3 of 2024/25 (1 October to 31 December 2024) and answered questions from Committee members on the member experience metrics for retirements from actives, and implementation of the McCloud remedy.

Resolved: The Committee noted the updates on the performance of the pension administration service for Q3 of 2024/25 as set out in the report presented and discussed at the meeting.

18. Annual Breaches Report

Exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

The Committee considered a report on Lancashire County Pension Fund data, administration, and contribution breaches during the period 1 January 2024 to 31 December 2024 and noted that the Information Commissioners Office had advised that no further action was required in relation to a reported data breach.

Resolved: The Committee noted the update on the Lancashire County Pension Fund breaches for the period 1 January 2024 to 31 December 2024, as set out in the report presented.

19. Lancashire County Pension Fund - Compliance Report in line with the Pension Regulator's General Code of Practice

Exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

The Head of Fund presented the first full report on the Fund's compliance with the Pension Regulator's General Code of Practice since it was published in March 2024 and noted the recommendation of the Lancashire Local Pension Board from the meeting on 28 January 2025.



Resolved: The Committee approved the Local Pension Board's recommendation that compliance assessment in accordance with the General Code of Practice should be transitioned into business-as-usual activity, with reviewing and reporting to be done on an annual basis.

20. Appointment of a new Scheme Member representative on the Lancashire Local Pension Board

Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

The Head of Fund presented a report on the recruitment of a new Scheme Member representative on the Lancashire Local Pension Board to fill a vacancy which had arisen earlier in the year, and the proposed extension to the term of appointment of two existing Board members.

Resolved: The Committee noted the proposed appointment of a new Scheme Member representative and extension to the term of appointment of two existing Board members which would be presented to Full Council on 13 March 2025 for approval.

The Chair of the Lancashire Local Pension Board dialled out of the meeting at this point.

21. Local Pensions Partnership Limited - Shareholder Update

Exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Mr Rule, Chief Executive of the Local Pensions Partnership Ltd, presented a strategic report on activity and the financial position of the Company and its subsidiaries and answered questions from Committee members.

Resolved: The Committee noted the Local Pensions Partnership Ltd Shareholder update to 31 December 2024, as set out at Appendix 'A' to the report presented.

22. Local Pensions Partnership Limited Budget 2025/26 and Strategic Updates

Mr Rule, Chief Executive of the Local Pensions Partnership Ltd (LPP), presented a detailed report on the LPP Group budget for 2025/26, together with a Growth Plan for Local Pensions Partnership Administration Ltd (LPPA) and an updated business plan for the Local Pensions Partnerships Investments Ltd. In considering the report Committee members discussed LPPA staff pay, the LCC/LPPA administrative risk and the need to maintain a consistent approach in relation to LPPA clients.



Resolved: After considering the report presented the Committee:

1. Approved the LPP Group Budget for 2025/26 as set out in Appendix 'A' to the report.
2. Approved the LPPA Growth Plan as set out in Appendix 'B' to the report.
3. Noted the LCC/LPPA Administration Risk analysis outcomes and summary of actions presented in Appendix 'C' and performance against the LPPA Business Plan for 2024/25 as set out in Appendix 'D' to the report, and
4. Approved the LPPI Business Plan for 2025-28 as set out in Appendix 'E' to the report.

23. Investment Update Report

Exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Mr Rule, Chief Executive of the Local Pensions Partnership Ltd, and Mr Crum, Independent Investment Adviser to the Fund, updated the Committee on the macro-economic factors that influence the investment market and the performance of the Fund over Q4 (October – December 2024).

Resolved: The Committee noted the update on investment matters set out in the report presented, including investment themes, the macro-economic outlook and Q4 performance of the Fund.

24. Environmental Opportunities

Exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

The Committee considered a recommendation from the Investment Panel to approve an allocation to Environmental Opportunities.

Resolved: The Committee approved:

1. An allocation of 2.5% into Environment Opportunities as recommended by the Investment Panel and set out in the report presented.
2. The amendment of allocations in the Investment Strategy Statement to reflect the composition of the Environment Opportunities allocation referred to at 1 above and set out in paragraph 17 of the report.



All representatives from the Local Pensions Partnership Ltd left the meeting at this point.

25. Investment Panel Report

Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

The Head of Fund presented a report on activity and matters discussed at the most recent meetings of the Investment Panel.

Resolved: The Committee noted the Minutes of the Investment Panel meetings held on 5 December 2024 and 3 February 2025.

H MacAndrew
Director of Law and Governance

County Hall
Preston

