

**Pension Fund Committee**

Meeting to be held on Friday, 25 November 2022

Electoral Division affected:  
N/A;

**Local Pensions Partnership Annual Report and Accounts**

Appendix 'A' refers

Contact for further information:

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**Brief Summary**

The shareholder agreement for the Local Pension Partnership Limited requires the shareholder to receive the Annual Report and Accounts for the Partnership.

The Annual Report and Accounts for the year ended 31 March 2022 (a copy of which is set out at Appendix 'A') were approved by the Local Pensions Partnership Limited Board and, at the time of producing this report, are due to be filed with Companies House within the coming weeks.

**Recommendation**

The Committee is asked to note the content of the 2021/22 Annual Report and Accounts for the Local Pensions Partnership Limited as set out at Appendix 'A' to this report.

**Detail**

The Pension Fund Committee is charged with overall governance of the Fund and overseeing the investment and administration functions operated within the Local Pensions Partnership Limited (LPP).

The shareholders agreement requires the shareholder to receive the Annual Report and Accounts for LPP and the Terms of Reference of the Pension Fund Committee state that the Committee should receive the annual accounts for the LPP.

The Annual Report and Accounts for the year ended 31 March 2022 are attached at Appendix 'A'.

The report includes a strategic report and the financial statements of the company, with some key highlights being discussed in more detail. These include:



- 2021-22 was the second year of LPP's 5 Year Strategic Plan and key projects were delivered during 2021-22 which align to the strategy. Further information on this was provided to the Committee at the meeting on 16<sup>th</sup> September 2022;
- LPP manages around £22.8bn of pensions assets on behalf of three LGPS clients including the committed capital of the GLIL Infrastructure investment fund; and
- Pension administration services are provided to more than 630,000 LGPS, Police and Firefighters' pension scheme members across over 1,900 Employers.

## Financial Position

Grant Thornton the external auditors have certified that the accounts present a true and fair view of the state of the Group's and the Parent Company's affairs at 31<sup>st</sup> March 2022 and of the Group's loss for the year then ended.

The accounts of the LPP Group report a loss of £1.9m for the year to 31<sup>st</sup> March 2022 compared to a loss of £5m for the year to 31<sup>st</sup> March 2021.

In summary, and ignoring FRS102 pension liabilities:

1. LPPA broke even and ended the year with a marginal operating profit
2. LPPI's operating profit was £1.9m
3. The statutory accounts outline significant losses once the pension liabilities are taken into account.

The latest investment management saving figures from asset pooling have been delivered to Department for Levelling Up, Housing and Communities. LPPI reported £113m of savings since inception, up from £74m in 2021. This represents an increase to the previous annual run rate (£39m vs £28m) and LPPI continues to excel against this strategic metric.

## Consultations

N/A

## Implications:

This item has the following implications, as indicated:

## Risk management

Annual accounts of LPP are to be received by the Pension Fund Committee under its Terms of Reference.



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

Paper	Date	Contact/Tel
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N/A	N/A	N/A
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Reason for inclusion in Part II, if appropriate  
N/A

