

Pension Fund Committee

Meeting to be held on Friday, 1 December 2023

Electoral Division affected:
N/A;

Lancashire County Pension Fund Strategic Plan 2023/24 - Progress Update
(Appendices 'A' and 'B' refer)

Contact for further information:

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Brief Summary

The Committee approved the Fund's Strategic Plan at its meeting in March 2023. This report provides the committee with an in-year review of the progress on the activity undertaken to date.

Recommendation

The Committee is asked to consider and comment on the report.

Background

At its meeting in March 2023, the Committee approved the 12-month Strategic Plan for the Fund. The plan is structured around five dimensions that impact on the operations of Lancashire County Pension Fund successfully.

- Governance - To ensure that the Fund is transparent, open, and accountable to our stakeholders for our decisions and ensure the effective operation of the framework of control and the understanding and addressing of the risks to which the Fund is exposed.
- Funding and Investment - the long-term objective is for the Fund to maintain a 100% solvency level over a reasonable time period and then maintain sufficient assets in order for it to pay all benefits arising as they fall due. In addition, be a responsible asset owner and preserve the long-term resilience of the Fund
- Administration - Processes for maintaining member contribution records and for the accurate and timely calculation and processing of benefits.
- Communication - Processes for communicating both with scheme members and employers and promoting the benefits of participation in the scheme.



- Shareholder – To ensure that LPP and its subsidiaries are positioned to successfully deliver administration and investment services and to operate appropriate governance structures, processes and controls on the LPP board.

The strategic plan for reference is at Appendix 'A' which provides the detail around the activity undertaken to date.

Progress to date

Appendix 'B' provides a summary of the progress on projects undertaken by the Fund this year. These projects are mainly the critical activities for core responsibilities.

The Fund has progressed significantly with a number of projects throughout the year and some of the key highlights are below:

- A new Investment Strategy Statement for the Fund which was updated in light of the 2022 valuation. The strategy will support the Fund in maintaining a healthy funding level.
- Successful procurement exercise for Actuarial Services and progress made to date on the Custodian tender.
- Thought Leadership – The Fund produced a detailed response to the LGPS Pooling consultation which was shared with the Pension Fund Committee at an earlier meeting.
- Treasury Management – Development and implementation of a new treasury management policy for the Fund and associated reporting to the Investment Panel.
- LPP Governance Review – An update on the activity around this project was provided to the Committee as a briefing on 16th November 2023 which included an update on progress. The Articles of Association have been updated and were approved at the meeting of the Committee in September 2023.
- Fund Resourcing Review – The Fund has undertaken a review of resourcing and taken steps to deal with the governance resourcing gap. The Fund is continuing with this resourcing activity.

However, the Fund team have experienced some challenges with significantly more activity around the administration and LPP Governance Review projects than expected/planned. Administration review activity (although not directly under the remit of the Fund) has been undertaken as the Fund – in conjunction with other teams within LCC and Local Pensions Partnership Administration Limited - has a responsibility to ensure that there are appropriate administration processes are in place and that member experience is improved.

This has had an impact on undertaking some of the activity outlined in the strategic plan.



Appendices

Appendix	Title
Appendix 'A'	LCPF Strategic Plan 2023/24
Appendix 'B'	LCPF Strategic Plan Summary 2023/24

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The Strategic Plan will assist in management of risks faced by the Fund.

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

