

**Lancashire County Council**

**Pension Fund Committee**

**Minutes of the Meeting held on Friday, 6th December, 2024 at 10.30 am in  
Committee Room 'A' - The Tudor Room, County Hall, Preston**

**Present:**

County Councillor E Pope (Chair)

**County Councillors**

M Brown	F De Molfetta
J Burrows	G Dowding
M Clifford	S Rigby*
J Couperthwaite	A Schofield

\*County Councillor S Rigby replaced County Councillor A Gardiner for this meeting.

**Co-opted members**

Ms J Eastham - Further/Higher Education Institutions.

Mr P Crewe - Trade Unions.

Ms S Roylance - Trade Unions.

**In attendance:**

Mr S Greene, Head of Pension Fund, Lancashire County Council.

Mr R Cathey, Principal Lawyer, Lancashire County Council.

Mr M Neville, Senior Democratic Services Officer, Lancashire County Council.

Mr D Crum, Independent Investment Adviser.

Ms M George, Independent Investment Adviser

Mr C Rule, Chief Executive, Local Pensions Partnership.

Ms J Darbyshire, Managing Director, Local Pensions Partnership Administration.

**1. Welcome and Apologies**

The Chair welcomed everyone to the meeting and Mr Neville reported that apologies had been received from County Councillor J Fillis and Co-opted member Councillor M Smith. Apologies were also received from the Chair of the Lancashire Local Pension Board.

**2. Disclosure of Pecuniary and Non-Pecuniary Interests**

No declarations of interest were made at this point in the meeting.



### **3. Terms of Reference for the Pension Fund Committee**

Mr M Neville, Senior Democratic Services Officer, presented a report on the updated Terms of Reference for the Committee (approved by Full Council on 17<sup>th</sup> October 2024) and noted that some minor amendments would be made in relation to the Appendix - 'Matters reserved under the Local Pensions Partnership Ltd Shareholder Agreement'. The Head of Fund also referenced the proposal to authorise the Director of Finance and Commerce to take decisions regarding the approval of payments under the County of Lancashire Act 1984.

#### **Resolved:**

1. That the Terms of Reference, as approved by Full Council on 17 October 2024, and set out at Appendix 'A' to the report presented, are noted and that an amended copy be circulated to all Committee members in due course for future reference.
2. That the Director of Finance and Commerce be authorised to approve payments under the County of Lancashire Act 1984 in accordance with the Scheme of Delegation to Heads of Service.

### **4. Minutes of the last meeting.**

The Chair reminded the Committee that the final copy of the LCPF Annual Report 2023/24 had been made available via the online library prior to its publication (see item 7). Regarding item 14 the Head of Fund confirmed that any outstanding actions from previous audits of the Fund had now been actioned.

**Resolved:** That the Minutes of the meeting held on 13 September 2024 are confirmed as an accurate record and signed by the Chair.

### **5. Budget Monitoring 2024/25 - Q2**

The Head of Fund presented a report on the income/expenditure of the Fund for the six-month period to 30 September 2024 and forecast for the year ending 31 March 2025. In response to questions from Committee members he confirmed that further context would be included in future reporting regarding the positive/negative impacts on movement from the 6<sup>th</sup> monthly budget position.

**Resolved:** That the financial results of the Lancashire County Pension Fund for the 6 months to 30 September 2024, together with the budget and forecast variances set out in the report presented, are noted.

### **6. Pension related training for members of the Pension Fund Committee.**

The Head of Fund presented a report on internal/external training which had taken place since the last meeting and included reference to the online training modules completed by Committee members up to 15 November 2024.



**Resolved:** That the report is noted.

## 7. Local Pensions Partnership Annual Report and Accounts

Mr C Rule, Chief Executive of the Local Pensions Partnership Ltd (LPPL), presented the Annual Report and Accounts of the Company for the year ending 31 March 2024 and answered questions from Committee members on the contents. In response to a query regarding reconciling figures in the covering report and the actual accounts Mr Rule clarified that some figures in the covering report were based on management accounts (from June 2024) rather than the statutory accounts in Appendix 'A'. The £7m non-cash profit resulted from deferred tax being refunded through the statutory accounts as a consequence of accounting for LPP's staff pension assets and liabilities. The correct figures for operating profit for LPPL was £1.7m (not 1.5m as stated in the covering report) and £58,000 loss for LPPA (as stated in the covering report).

**Resolved:** That the 2023/24 Local Pensions Partnership Ltd Annual Report and Accounts, as set out at Appendix 'A' to the report presented, and the clarification regarding profit for LPPL and its subsidiaries, as reported at the meeting, are noted.

## 8. Responsible Investments Report

The Committee considered a report on responsible investment activity which included a dashboard style update covering Q2 (July to September 2024). The Chair of the RI Task and Finish Group also gave an update on the review of the Responsible Investment Policy which was due to be completed in the new year with an updated Policy being presented to the meeting in March 2025.

**Resolved:**

1. That the update on Responsible investment activity undertaken by the Fund and Local Pensions Partnership Investments Ltd, as set out in the report and dashboard (Appendix A) is noted.
2. That the update on the work to date by the Task and Finish Group given at the meeting is noted and that a report on the draft revised LCPF Responsible Investment Policy be presented to the next meeting.

## 9. 2025 Valuation Process and Timetable

The Committee considered a report on the timetable for the planned valuation of the Lancashire County Pension Fund at 31 March 2025 and the setting of new employer contribution rates. The report included an update on the change to the employer covenant for colleges and how it might affect their treatment in the valuation.

**Resolved:** That the timetable for the 2025 valuation of the Lancashire County Pension Fund and associated training expectations for Committee members, as set out in the report presented, are noted.



## 10. Urgent Business

No items of urgent business were reported under this item

## 11. Date of Next Meeting

The Chair noted that the next scheduled meeting of the Committee would be held on 7 March 2025 in Committee Room 'A' – The Tudor Room at County Hall, Preston, starting at 10.30am.

## 12. 2025/26 Programme of meetings

**Resolved:** That the 2025/26 programme of meetings for the Committee (approved by Full Council on 17 October 2024) as set out below is noted, with all meetings to be held in Committee Room 'A' - The Tudor Room at County Hall, Preston, starting at 10.30am.

20 June 2025

19 September 2025

12 December 2025

20 March 2026

## 13. 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 disclosure of 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 the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

## 14. LGPS - Fit for the Future Consultation

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 the Government consultation entitled Local Government Pension Scheme (England & Wales) Fit for the Future which related to investments, pooling, and governance by LGPS Funds in the future and Mr Rule, Chief Executive of the Local Pensions Partnership, answered questions from Committee members regarding increased pooling of investments, local investment, and communications with scheme members.

**Resolved:**

1. That Committee members be provided with a copy of the Government consultation entitled 'Local Government Pension Scheme (England & Wales) Fit for the Future for information.



2. That the Chair of the Pension Fund Committee be authorised to approve the final version of the response of the Lancashire County Pension Fund to the Local Government Pension Scheme (England and Wales) Fit for the Future consultation before the 16 January 2025 deadline.
3. That a copy of the final response from the Fund to the consultation referred to in 2 above be made available to Committee members via the online library for information.

## **15. 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, Managing Director at Local Pensions Partnership Administration Ltd (LPPA), presented a detailed update report on the performance of the pension administration service for Q2 (July to September 2024) and answered questions from Committee members.

**Resolved:** That the Committee:

1. Note the update on service performance set out in the report presented which indicates that Service Level Agreements have been met, together with the inclusion of new data relating to member's experience at retirement, customer satisfaction and helpdesk survey results, and the positive trend of member complaints.
2. Note areas that require further action, specifically the County Council's end-to-end retirement process and disclosure reporting to comply with the regulatory requirements, as set out in the report presented and the retirement action plan.
3. Note the developments regarding the government plan to launch a Pension Dashboard, as set out in Appendix 'D' to the report presented. including activity by LPPA and Fund Officers to ensure compliance with the connection deadline, and the responsibilities that ultimately rest with the Committee.

## **16. Risk Register**

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 full risk register for the Lancashire County Pension Fund which had been reviewed by the Local Pension Board in October 2024.



**Resolved:**

1. That the closure of risks T2, T3 and T4, as set out in the report are approved
2. That the amendments to risks O7 and T5 set out in the report to reflect the progress made in both areas are approved.
3. That the proposed changes to the format of the risk register set out in the report be implemented for a trial period as recommended by the Pension Board and reviewed in October 2025 with a report back to the Committee in December 2025 on whether the changes be implemented across all risks in the register on a permanent basis.

**17. Local Pensions Partnership - 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.

The Committee considered a strategic update on activities undertaken by the Local Pensions Partnership Limited and its subsidiaries across all clients up to 30th September 2024.

**Resolved:** That the updates on activity and the financial position of the Local Pensions Partnership Ltd and its subsidiaries, as set out in the report presented, are noted.

**18. Investment Performance 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 Ms George, Independent Investment Adviser to the Fund, updated the Committee on various matters, including the macro-economic factors that influence the investment market and the performance of the Fund over Q3 (July-September 2024).

**Resolved:** That the update on investment performance, as set out in the report presented and given at the meeting, is noted

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

**19. 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 the matters discussed at the Investment Panel on 12 September 2024, as set out in the Minutes of that meeting, and updated the Committee on discussions at the more recent Panel on 5 December 2024 regarding a potential new asset class/fund which would be reported to the Committee in March 2025.

**Resolved:** That the Minutes of the Investment Panel on 12 September 2024 and the update on discussions at the Panel on 5 December 2024 are noted.

Both Independent Investment Advisers left the meeting at this point.

## **20. Independent Investment Adviser - Strategic Objectives Review**

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 informed the Committee that his assessment of the performance of both Independent Investment Advisers (IIAs) had found that they had met the set of strategic objectives agreed by Committee in December 2023 and was expected to continue to do so.

**Resolved:** That the outcomes from the assessment of the performance of both Independent Investment Advisers to the Lancashire County Pension Fund against the strategic objectives of the Fund, as set out the report presented, are approved.

## **21. Independent Investment Adviser - Contract Extension**

Exempt information as defined in Paragraphs 1, 2 and 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 the proposed extension of contract for one of the Independent Investment Advisers to the Lancashire County Pension Fund.

**Resolved:** That the extension of contract for Ms M George for a period of 16 months up to 30 June 2026, as set out in the report presented, is approved.

H MacAndrew  
Director of Law and Governance

County Hall  
Preston

