

Leicestershire County Council Pension Fund

Pensions Investment Business Plan

2024-2025

	Item	Key in year deliverables	Aims	Support required from another service	Timescales
Training	Continuous training of the Local Pension Committee	<ul style="list-style-type: none"> • Officers to review training policy and training needs self-assessment for members and create individual training plans. • Publicise LGPS Central's Annual Responsible Investment/Stakeholder Day meeting date to LPC Members • New Members to have induction with relevant officer(s) and induction pack. Hymans training module 1 – intro to the LGPS • Completion of all Hymans training modules for all officers and members in 22/23: • Training plan for 23/24 based on self-assessments and key issues across the LGPS. • Quarterly Manager presentations. 	<ul style="list-style-type: none"> • Training needs to understand individual requirements, officers to advise Member accordingly • To build minimum standard of knowledge by improving RI understanding, knowledge of investment asset classes and Fund mandates • Highlight LAPPF engagement success and progress as well as informing of new areas of RI. • Hymans online training to generally improve knowledge in the most important areas for Committee members and officers 	Training from external sources can include Hymans, LGPS Central, LAPPF, Funds investment managers	<ul style="list-style-type: none"> • March 2024 • As available • Throughout year • As needed throughout year • Progress to be highlighted to officers and members quarterly

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Policies	Net Zero Climate Strategy	<ul style="list-style-type: none"> • Continued implementation of Net Zero Climate Strategy and action plan. • Communication of Strategy and progress against climate metrics. • Further development of measurements through future iterations of Climate Risk Management Report in line with government guidance best practice and data availability • Manager monitoring and engagement on climate metrics and targets. 	<ul style="list-style-type: none"> • To manage the climate risk and opportunities to the Fund arising from Climate Change. • To communicate to scheme members and interested parties of the current progress versus the NZCS interim targets. • To communicate and engage with the Fund's investment managers on the Fund's expectations with relation to climate risk management. 	<ul style="list-style-type: none"> • External support / resource as required to be defined for selected workstreams, Hymans, LGPS Central, other external bodies 	<ul style="list-style-type: none"> • Ongoing, multiyear timescales with 2030 interim targets agreed at March 2023 LPC.
	Update Investment Strategy Statement (ISS)	<ul style="list-style-type: none"> • Annual update of ISS to include changes from 2024 Strategic Asset Allocation (SAA) review • Update the latest position from the 2023 climate risk report (CRR) and implications to delivery of the Net Zero Climate Strategy interim targets (March 2023) 	<ul style="list-style-type: none"> • Annual refresh which sets the parameters within which the Fund's assets can be invested highlighting factors taken into account when deciding the investment strategy such as responsible investing and climate risk and opportunities. 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • April 2024

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	Annual Review of Fund's various policies and strategies	<ul style="list-style-type: none"> To undertake a review of the Fund's various policies and strategies including the cash management strategy. 	<ul style="list-style-type: none"> Annual refresh of relevant Strategies to reflect any developments / maintain best practice within the Fund and its management (such as the NZCS). Or government guidance. 	External Support/resource as required Hymans, LGPS Central or other external bodies.	Ongoing, as required
	<p>Complete the 2023 SAA approved decisions.</p> <p>Enact the 2024 decisions from the Strategic Asset Allocation (SAA) review</p>	<ul style="list-style-type: none"> Create and propose implementation plan for outcomes from the 2024 SAA proposals and ISC recommendations Enact other decisions as approved by the Committee in Jan 2024 throughout the year as appropriate 	<ul style="list-style-type: none"> To complete investment decisions proposed by Hymans and approved by Committee in Jan 2023 and January 2024 noting that some decisions require careful planning and take a significant amount of time 	<ul style="list-style-type: none"> The Fund's investment advisor Hymans Robertson and LGPS Central. 	<ul style="list-style-type: none"> Existing 2023 SAA approvals currently planned to be completed in H1 2024 2024 SAA reviews are scheduled at Investment sub committee meetings as follows: <ol style="list-style-type: none"> Protection assets Review of two income asset class investments (timberland and bank capital relief)
Asset Allocation	Investment manager presentations	<ul style="list-style-type: none"> Four manager presentations covering 4 differing various asset classes at scheduled Pension Committees. Asset classes to chosen by officers throughout the year. 	<ul style="list-style-type: none"> To improve the Committee understanding of the sector and mandates the Fund has investments within including LGPS Central's governance of external managers. 	Investment Manager attendance	<ul style="list-style-type: none"> Investment managers for quarterly committee meetings scheduled for March, June, September and November 2024

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		<ul style="list-style-type: none"> • Each manager to cover the following: <ul style="list-style-type: none"> ○ ESG – e.g. how they identify, assess, and manage climate risks ○ Describe the mandate and aims ○ Mandate performance ○ Market outlook for their sector 	<ul style="list-style-type: none"> • Question manager on ESG policies and performance versus mandate goals • Increase knowledge of the investment class 		<ul style="list-style-type: none"> • Currently scheduled meetings and managers: March – Adams Street Partners June – TBC September – TBC November – TBC
	2025 Strategic Asset Allocation preparatory work	<ul style="list-style-type: none"> • Produce 2025 strategic asset allocation strategy refresh, including: • Agreeing scope with the Fund's advisor and present for approval to the LPC in November • Net Zero Climate Strategy considerations • Balancing required return versus risk and updated medium/long assumptions for asset class returns. • Any potential asset class reviews 	<ul style="list-style-type: none"> • To provide the Fund the right level of return taking into account all risks, assets and liabilities 	<ul style="list-style-type: none"> • The Fund's investment advisor Hymans and any third party with respect to the NZCS 	<ul style="list-style-type: none"> • The SAA is normally delivered for approval at the January Local Pension Committee meeting

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Valuation	Triennial valuation	<ul style="list-style-type: none"> • Prepare for the upcoming 3 year valuation due on the 31st March 2025. • Update LPC on the timeline for the valuation principles and key assumptions to be agreed where required. 	<ul style="list-style-type: none"> • Early indication of the potential effects on the Fund valuation and employers when the next triennial valuation takes place. • Improves financial planning and forecasting for employers within the Fund. 	<ul style="list-style-type: none"> • Hymans Robertson 	<ul style="list-style-type: none"> • Updates planned to be bought to the and November 2024 LPC, currently planned to propose the broad principles. • Future 2025 LPC meetings will agree results for stabilised employers, agree final assumptions (eg discount rate, inflation etc) and produce the whole fund valuation report.
Reporting	Annual Report and Accounts	<ul style="list-style-type: none"> • Approval and publication of the Fund's Annual Report and Accounts by 1 December in line with the LGPS Regulations. 			September 2024
	Monitor the annual Budget	<ul style="list-style-type: none"> • To monitor the Annual Budget reflecting anticipated income and expenditure during 2024 	<ul style="list-style-type: none"> • Provide indications of variances from the budget 		<ul style="list-style-type: none"> • During 2024
	RI Plan	<ul style="list-style-type: none"> • Progress the Fund's RI Plan as agreed at January 2024 Local Pension Committee meeting. • More information included within the appendix taken to the January 26 2024 Local Pension Committee Appendix A: Draft RI plan 2024 	<ul style="list-style-type: none"> • Continue reporting against best practice and guidance available. • Improved understanding of RI risks including climate change. • Improved communication with scheme members 	<ul style="list-style-type: none"> • LGPS Central. LAPFF, Investment Managers reporting 	<ul style="list-style-type: none"> • Ongoing multiyear implementation alongside NZCS.

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			and other interested parties.		
	LGPS Central	<ul style="list-style-type: none"> Update Committee with Shareholder and customer activity with respect to actions or decisions taken at the Joint Committee and Company (central) meetings 	<ul style="list-style-type: none"> In line with good governance of the Fund 		<ul style="list-style-type: none"> As appropriate through 2024/25
	Respond to Government consultations and initiatives	<ul style="list-style-type: none"> Participation with LGPS Central and individually where appropriate 	<ul style="list-style-type: none"> To allow government to hear the Funds views on various topics being consulted on. 	LGPS Central, Hymans Robertson	<ul style="list-style-type: none"> As appropriate through 2024/25

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