

Leicestershire County Council Pension Fund

Pensions Investment Business Plan

2025-2026

	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, Board and Committee training plans. • Publicise LGPS Central's Annual Responsible Investment/Stakeholder Day meeting date to LPC Members • New Members to have induction with relevant officers and supply induction pack in advance. Generate log on to Hymans training modules. Members must complete all Hymans Modules within six months of appointment. • Completion of all Hymans training modules for all officers and members in 25/26: • Training plan for 25/26 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. Provide background to current issues facing the Committee. • Improve overall understanding of the pension environment • Hymans online training to generally improve knowledge in the most important areas for Committee members and officers. • Builds on existing knowledge regarding asset classes 	Training from external sources can include Hymans, LGPS Central, LAPFF, 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 the Chairman of the Committee or Board as needed.
Policies	Net Zero Climate Strategy	<ul style="list-style-type: none"> • To begin the review of the NZCS. • Continued implementation of Net Zero Climate Strategy and action plan. 	<ul style="list-style-type: none"> • To manage the climate risk and opportunities to the Fund arising from Climate Change. 	<ul style="list-style-type: none"> • External support / resource as required to be defined for selected workstreams, 	<ul style="list-style-type: none"> • Ongoing • High-level considerations to be reported to Committee in

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		<ul style="list-style-type: none"> • 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 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 and LGPS Central on the Fund's expectations with relation to climate risk management. 	Hymans, LGPS Central, other external bodies	<ul style="list-style-type: none"> • June 2025 and updates as appropriate throughout 2025/26. • Revised NZCS to be brought in 2026. • Ongoing, questionnaire March 2025.
	Update Investment Strategy Statement (ISS)	<ul style="list-style-type: none"> • Annual update of ISS to include changes from 2025 Strategic Asset Allocation (SAA) review • Update the latest position regarding net zero targets from the 2024 climate risk report (CRR) • Update for outcomes affecting the ISS from the Fit for the Future government consultation into Pooling. 	<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. • Update on the progress towards net zero targets for the Fund. 	• None	<ul style="list-style-type: none"> • April 2025 minor update for new asset allocation. • Q4 2025 draft for comment to Pension Committee for a more comprehensive update.
	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

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Asset Allocation	<p>Complete the 2024 SAA approved decisions.</p> <p>Enact the 2025 decisions from the Strategic Asset Allocation (SAA) review</p>	<ul style="list-style-type: none"> • Create and propose implementation plan for outcomes from the 2025 SAA proposals and ISC recommendations where appropriate • Enact other decisions as approved by the Committee in Jan 2024 that are outstanding 	<ul style="list-style-type: none"> • To complete investment decisions proposed by Hymans and approved by Committee in January 2024 and 2025 noting that some decisions require careful planning and take a significant amount of time to fully implement and in some cases implementation may be delayed owing to a number of investment related issues. 	<ul style="list-style-type: none"> • The Fund's investment advisor Hymans Robertson and LGPS Central. 	<ul style="list-style-type: none"> • Through 2025 complete the reviews per the proposals taken to the Jan 2025 Pension Committee <ol style="list-style-type: none"> 1. Property assets review 2. Private credit review 3. Tail risk protection review
	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. • 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 • LGPS Central will be invited to the majority of 2025/26 meetings and can present on a number of asset classes. 	<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. • Allows for interaction with investment manager on ESG polices and investment performance versus mandate targets. • Increase knowledge of the investment class 	Investment Manager attendance	<ul style="list-style-type: none"> • Investment managers for quarterly committee meetings scheduled for March, June, September and December 2025 • Currently scheduled meetings and managers: <ul style="list-style-type: none"> March – DTZ June – TBC Sept – TBC Dec – TBC

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	2026 Strategic Asset Allocation preparatory work	<ul style="list-style-type: none"> • Produce 2026 strategic asset allocation strategy refresh. This deliverable is dependent on the outcome of the fit for the future consultation. • Agreeing the scope with the Fund's investment advisor and present for approval to the LPC in December. • 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 and required rate of return. 	<ul style="list-style-type: none"> • An investment advisor such as Hymans Robertson 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 each year.
Valuation	Triennial valuation	<ul style="list-style-type: none"> • Assist with the upcoming 3 year valuation due on the 31st March 2025 with respect to : • decisions that affect funding levels and employer contribution rates • Updating pension committee on progress especially with respect to amendments to valuation principles that have been previously communicated 	<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. • Help to improve financial planning and forecasting for employers within the Fund. • Assess employer risk and set appropriate contribution rates taking into account relevant employer information from engagement 	<ul style="list-style-type: none"> • Hymans Robertson 	<ul style="list-style-type: none"> • 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 draft Annual Report and Accounts by 1 December in line with the LGPS Regulations. 	<ul style="list-style-type: none"> • Compliance with regulation 	<ul style="list-style-type: none"> • External audit (Pension fund accounts form part of the Councils accounts) 	<ul style="list-style-type: none"> • September 2025 meeting
	Monitor the annual Budget	<ul style="list-style-type: none"> • To monitor the Annual Budget reflecting anticipated income and expenditure during 2025/26 	<ul style="list-style-type: none"> • Provide indications of variances to the budget 		<ul style="list-style-type: none"> • During 2025/26

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	RI Plan	<ul style="list-style-type: none"> Progress the Fund's RI Plan as agreed at January 2025 Local Pension Committee meeting. More information included within the appendix taken to the January 31 2025 Local Pension Committee Appendix A: Draft RI plan 2025 	<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 and other interested parties. 	<ul style="list-style-type: none"> LGPS Central. LAPFF, Investment Managers reporting 	<ul style="list-style-type: none"> Ongoing multiyear implementation alongside NZCS.
	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 2025/26
	Government consultations and initiatives	<ul style="list-style-type: none"> Participation with LGPS Central and individually where appropriate Communicate to Local pension committee and wider Fund membership implications and changes to the LGPS 	<ul style="list-style-type: none"> To allow Government to hear the Funds views on various topics being consulted on. To keep the committee and membership informed of material changes 	Internal Council communications teams, LGPS Central, Hymans Robertson	<ul style="list-style-type: none"> As appropriate through 2025/26