

Leicestershire County Council Pension Fund

Pensions Investment Business Plan

2026-2027

	Item	Key in year deliverables	Aims	Support required from another service	Timescales
Policies	Net Zero Climate Strategy (NZCS) Review	<ul style="list-style-type: none"> • To complete the review of the NZCS following responsible investment survey. • Continued implementation of Net Zero Climate Strategy and action plan. • Support alignment with LGPS Central Net Zero approach. • 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 and LGPS Central 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"> • March 2026 Workshop • High-level considerations to be reported to Committee in March 2026 and updates as appropriate throughout 2026/27. • Est June 2026 for revised Net Zero Climate Strategy.
	Update Investment Strategy Statement (ISS)	<ul style="list-style-type: none"> • Update draft ISS with any changes from consultation with employers • Await finalisation of the Government's Pensions legislation and update any parts of the ISS as required depending on the importance of the changes. • Annual update of ISS to include changes from 2026 and 2027 	<ul style="list-style-type: none"> • Annual asset class target allocation refresh, including rebalance tolerance ranges and local investment targets. • Engage with LGPS Central to set 2027 strategic asset allocation targets. • Consider the ability to use an external investment advisor where the Pool might not be 	<ul style="list-style-type: none"> • LGPS Central • Possible 3rd party advisor including new independent advisor 	<ul style="list-style-type: none"> • March 2026 minor update for changes from consultation. • Q1 2027 update for changes including SAA, rebalance tolerances and local investments

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		<p>Strategic Asset Allocation (SAA) review and investment beliefs</p> <ul style="list-style-type: none"> • Update the latest position regarding net zero targets from the 2026 climate risk report (CRR) • Update for outcomes affecting the ISS from the Fit for the Future government consultation into Pooling and government guidance. • Update approach as a result of the outcome Responsible Investment Survey and fit for the future. 	<p>able to provide a service. Will depend on the outcomes of the pensions legislation.</p> <ul style="list-style-type: none"> • Ensure the approach to Responsible Investment is up to date as part of good governance, and in line with Scheme Advisory Board's recommendation. 		
Asset Allocation	Ensure that 2026 decisions from the Strategic Asset Allocation (SAA) review are implemented	<ul style="list-style-type: none"> • Work with Central to ensure changes approved have a plan to be implemented. • Communicate these to the committee via relevant communication or presentation 	<ul style="list-style-type: none"> • To complete investment decisions proposed by Hymans and approved by Committee in January 2026 noting that some decisions require careful planning and take a significant amount of time to fully implement 	<ul style="list-style-type: none"> • The Fund's investment advisor LGPS Central and possibly Hymans Robertson where circumstances allow. 	<ul style="list-style-type: none"> • Through 2026/27 complete the reviews per the proposals taken to the Jan 2026 Pension Committee 1. Listed equity review 2. Investment grade credit review 3. SAA target changes
	Investment manager presentations	<ul style="list-style-type: none"> • LGPS Central manager presentations to be scheduled to LPC to cover different asset classes. Retain the ability to allow underlying 	<ul style="list-style-type: none"> • To improve the Committee's understanding of asset classes and performance against benchmarks. 	<ul style="list-style-type: none"> • LGPS Central Investment Manager attendance 	<ul style="list-style-type: none"> • LGPS Central to present at quarterly committee meetings,

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		<p>managers if needed to present.</p> <ul style="list-style-type: none"> • Each presentation manager to cover at least the following: <ul style="list-style-type: none"> ○ Market outlook ○ Describe the mandate and aims ○ Mandate performance ○ ESG – e.g. how they identify, assess, and manage all risks 	<ul style="list-style-type: none"> • Over time Central will be report and be accountable for performance for the whole Fund's performance. • Allows for interaction with investment manager on ESG policies and investment performance versus other mandate targets. 	<ul style="list-style-type: none"> • Independent advisor, depending on scope of role 	<p>switching between public markets and private market investments.</p> <ul style="list-style-type: none"> • Currently scheduled meetings and managers: <ul style="list-style-type: none"> March –private June – public Sept – private Dec – public
	2027 Strategic Asset Allocation preparatory work	<ul style="list-style-type: none"> • Produce 2027 strategic asset allocation strategy refresh. This deliverable will take into account finalised government guidance. • Agreeing the scope with the Fund's investment advisor (LGPS Central) 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 alongside return expectation from last actuarial review. • 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"> • The investment advisor • LGPS Central 	<ul style="list-style-type: none"> • The SAA is normally delivered for approval at the January Local Pension Committee meeting each year.

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Valuation	None – valuation planning from 2027 for 31 March 2028				
Reporting / other	Responsible Investment	<ul style="list-style-type: none"> • Progress the Fund's RI Plan as agreed at January 2026 Local Pension Committee meeting. • Consider development of outcomes as a result of the Responsible Investment Survey. • More information included within the appendix taken to the January 30 2026 Local Pension Committee Appendix A: Draft RI plan 2026 • Represent LCCPF at cross party meetings to enable Central to deliver a considered and cost effective RI solution to all partners 	<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.
	Local Investment reporting	<ul style="list-style-type: none"> • Develop approach to reporting impact from local investment alongside LGPS Central as the pooling approach to local investment evolves. 	<ul style="list-style-type: none"> • To demonstrate quantifiable external benefits to the Fund's targeted area. 	LGPS Central	<ul style="list-style-type: none"> • 2025/26 and onwards
	Performance reporting	<ul style="list-style-type: none"> • Understand with Central how to develop performance reporting currently delivered by Hymans Robertson 	<ul style="list-style-type: none"> • To provide greater depth within performance reporting by mandate and asset class. This might not be completed within the year with transition of legacy mandates and bedding in of processes 	<ul style="list-style-type: none"> • Hymans • Central 	<ul style="list-style-type: none"> • 2026/27 and onwards

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