



# 2020/21 Annual Report highlights

**Lancashire County Council, as an administering authority, is responsible for managing the Lancashire County Pension Fund (the 'Fund') which provides retirement benefits to employees working for public sector employers, as well as many other eligible employers admitted into the Fund, within the Lancashire region.**

This document summarises the key activities of Fund and further details can be found in the 2020/21 Annual Report [here](#).

This last year has been challenging for all within the Pensions Industry - due to COVID-19 - with uncertainty in the financial markets around the world but the Fund has continued to manage its investments well whilst providing a good service to members of the Fund.

## Managing the Fund's investments

Our primary investment objective is to ensure that over the long term the Fund will have enough assets to meet all pension liabilities as they fall due and, as part of this, we seek to maximise the returns from investments.

The Fund has grown considerably in the last year in comparison to 2019/20. The Fund has seen an increase of £1.1bn on its assets, which were valued at £9.6bn as at 31st March 2021. This was achieved by an 11.7% return on investment assets over the 12 month period.

This performance has helped us to ensure that the Fund continues to be funded at a level in excess of 100%.

At the same time, we have managed our investment costs through a pooling arrangement. In 2016, the Fund entered into a joint venture with another local government pension fund, London Pension Fund Authority. A company - Local Pensions Partnership Investments Limited ('LPPi') - was set up to manage both funds assets. Now the majority of the Fund's assets, 92%, are held in pooled vehicles. Each year we identify how much the Fund has saved in investment costs under this venture and, in 2020/21, overall savings of £12.1m was realised.

## Supporting members of the Fund

The Fund works closely in conjunction with Local Pensions Partnership Administration Limited ('LPPA') who deliver pension services to more than 177,000 Fund members on our behalf. This year has been a particularly challenging year due to the COVID-19 pandemic. However, despite the challenging circumstances, LPPA has managed to successfully continue to support members through provision of:

- Member Services;
- Engagement and Communications; and
- Helpdesk (formerly Contact Centre).

## Responsible Investing

The issue of Responsible Investment (RI) continues to create headlines as the world battles issues, including climate change, and the Fund is committed to the long-term RI of retirement savings on behalf of Fund members.

The Fund has a comprehensive RI Policy and works closely with LPPi who are responsible for implementing the Policy. Our RI practices support the delivery of the sustainable returns we need to pay pensions through a focus on identifying and understanding investment risks to improve risk-adjusted returns over the long term.

In addition, the Fund engages with the Local Authority Pension Funds Forum who undertake extensive work in this area.

## Governance

The Pension Fund Committee oversees the management of LCPF, which includes administration of benefits and strategic management of assets and liabilities. The Pension Team at Lancashire County Council - together with our Pension Advisors, Local Pensions Partnership Limited, and the Local Pension Board - support the Committee in this role.

## Fund of the Year

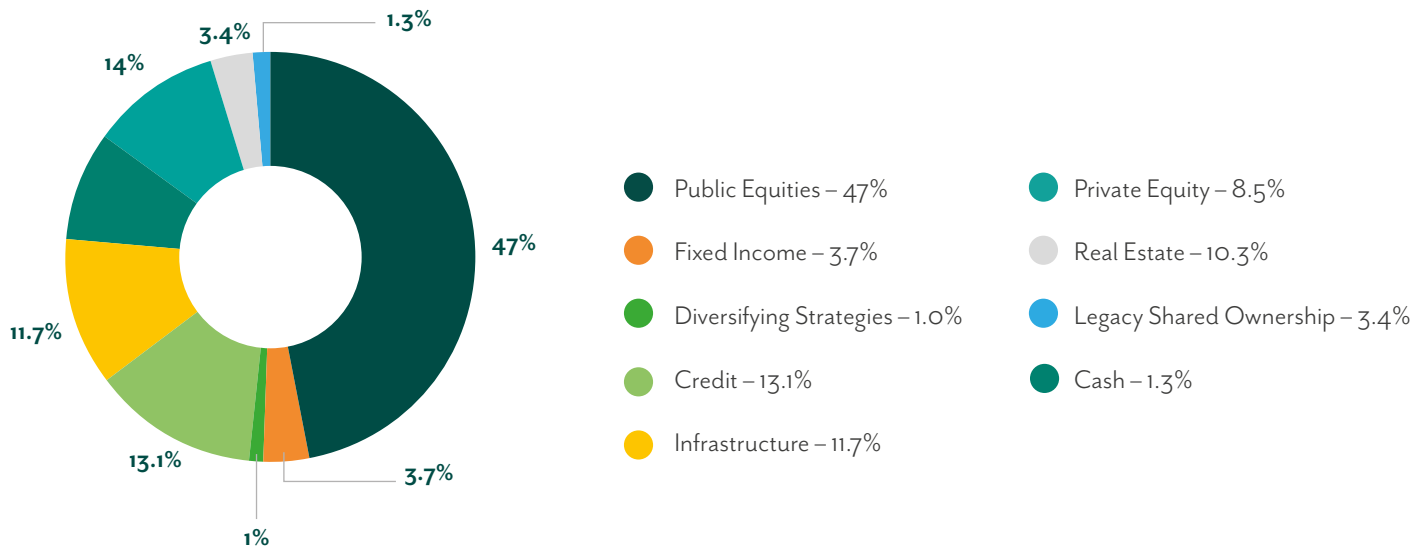
The Fund was awarded the LGPS Fund of the Year at the 2020 Local Authority Pension Fund Investment Awards. This award was achieved through great work throughout the Fund however the highlighted sections were around Governance, Investments and Responsible Investments.

# Further detail

Key information on investments, fund membership and administration activity is provided on this page.

## How is the LCPF Invested?

The chart provides a breakdown of the sectors that the fund is invested in:



## Customer Satisfaction and Complaints

LPPA undertake customer satisfaction surveys regarding their customer service as well as their service on retirements. Below is the breakdown of the level of customer satisfaction for these areas of pensions administration.

	Q1	Q2	Q3	Q4	Annual
Retirement	94.2%	87.5%	89.7%	95.3%	91.4%
Calls	88.8%*	93.5%	95.6%	94.6%	92.9%**

The volume of complaints also reduced from 172 in 2019/20 to 121 in 2020/21.

## Administration and Service Levels

LPPA processed 99% of cases on time in line with the contract they have with Lancashire County Pension Fund. In achieving the 99% of cases completed on time LPPA processed 2,084 retirements. During the year LPPA undertook 44,137 individual pension calculations.

# 99%

of cases on time by LPPA processed

## Membership of the Fund



Further details can be found in the 2020/21 Annual Report [here](#), which provides extensive information on Investments, Responsible Investment and finance emphasising our main objective of being able to continue to pay your pensions as they become due.