

Appendix B

Pensions Investment

Business Plan

2026 - 2027

Policies

Item	Key in year deliverables	Aims	Support required from another service	Timescales
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. 	<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. 	<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

Item	Key in year deliverables	Aims	Support required from another service	Timescales
	<ul style="list-style-type: none"> • Annual update of ISS to include changes from 2026 and 2027 Strategic Asset Allocation (SAA) review and investment beliefs • 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. 	<ul style="list-style-type: none"> • Consider the ability to use an external investment advisor where the Pool might not be able to provide a service. Will depend on the outcomes of the pensions legislation. • Ensure the approach to Responsible Investment is up to date as part of good governance, and in line with Scheme Advisory Board's recommendation. 		<p>tolerances and local investments</p>

Asset Allocation

Item	Key in year deliverables	Aims	Support required from another service	Timescales
<p>Ensure that 2026 decisions from the Strategic Asset Allocation (SAA) review are implemented</p>	<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 <ol style="list-style-type: none"> 1. Listed equity review 2. Investment grade credit review 3. SAA target changes
<p>Investment manager presentations</p>	<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 managers if needed to present. • 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"> • To improve the Committee’s understanding of asset classes and performance against benchmarks. • 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 polices and investment performance versus other mandate targets. 	<ul style="list-style-type: none"> • LGPS Central Investment Manager attendance • Independent advisor, depending on scope of role 	<ul style="list-style-type: none"> • LGPS Central to present at quarterly committee meetings, switching between public markets and private market investments. • Currently scheduled meetings and managers: <ul style="list-style-type: none"> March –private June – public Sept – private Dec – public

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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.

Valuation

Item	Key in year deliverables	Aims	Support required from another service	Timescales
None – valuation planning from 2027 for 31 March 2028	-	-	-	-

Reporting & other

Item	Key in year deliverables	Aims	Support required from another service	Timescales
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