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Lancashire County Pension Fund

Actuarial valuation report
as at 31 March 2007

Consulting. Outsourcing. Investments.

March 2008
Lancashire County Pension
Fund
Actuarial valuation as at
31 March 2007

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Summary

Main Conclusions

An actuarial valuation of the Lancashire County Pension Fund has been carried out as at 31 March 2007.

The key conclusions from the valuation are:

- The Fund showed a deficit of £710m at the valuation date based on the assumptions made for calculating its funding target. This measure compares the Fund's assets with the value of the past service benefits at 31 March 2007. It represents a funding level of 84% relative to the Fund's funding target;
- Based on the assumptions made for assessing the cost of future accrual, the Common Contribution Rate (i.e. the average employer contribution rate in respect of future service only) was 13.3% of Pensionable Pay;
- If the actuarial assumptions were to be based purely on the returns available on conventional and index-linked gilts (a so-called "least risk" basis) the deficiency would have increased to approximately £2,161m;
- If the deficit is recovered through additional employer contributions over a 22 year period then the average employer contribution rate emerging from the valuation is 17.8% of Pensionable Pay per annum;
- The recommended employer contribution rates for the period 1 April 2008 to 31 March 2011 are set out in Appendix I to this report. Employee contributions are payable in addition to the employer contributions. These contributions are adequate to meet the above funding objective based on the actuarial assumptions detailed in this report. An allowance has been made in the rate for certain employers to cover the anticipated costs of non-ill health early retirements over 3 years from 1 April 2008. The allowance is shown in the schedule. Additional capital contributions will be paid on top of the rates shown in respect of non-ill health early retirements.

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Compliance Statements

This report is addressed to the Administering Authority and has been prepared in accordance with the version of the Board for Actuarial Standards' 'Guidance Note 9: Funding Defined Benefits – Presentation of Actuarial Advice' current at the date this report is signed.

However the following aspects of GN9 are not relevant to the LGPS in the current circumstances and so have not been reported on:

- Paragraph 3.4.16 of GN9 requires the actuary to include the certification of technical provisions in relation to a valuation under Part 3 of the Pensions Act 2004. As Part 3 of the Pensions Act 2004 does not apply to the LGPS, this report does not comply with paragraph 3.4.16 of GN9; and
- Paragraph 3.5 of GN9 requires the actuary to report on the value of the liabilities that would arise had the Fund wound up on the valuation date (based on the cost of buying out the accrued benefits with insurance policies). As the LGPS is a statutory scheme, there is no regulatory provision for scheme wind up and the scheme members have a statutory right to their accrued benefits. Therefore the concept of solvency on a buy-out basis does not apply. Accordingly, this report does not comply with paragraph 3.5 of GN9.

The calculations in the report use methods and assumptions appropriate for reviewing the financial position of the Scheme and determining the appropriate contribution rate for the future. Mercer does not accept liability to any third party in respect of this report; nor does Mercer accept liability to the Administering Authority if the advice is used for any purpose other than that stated (for example for accounting disclosures or corporate mergers/acquisitions).

The data for the actuarial valuation was provided by the Administering Authority and its accuracy has been relied upon. Whilst reasonableness checks on the data have been carried out, they do not guarantee the completeness or the accuracy of the data. Consequently Mercer does not accept any liability in respect of its advice where it has relied on data which is incomplete or inaccurate.

The report may be disclosed to participating employers and others who have a statutory right to see it. It may also be disclosed, if the Administering Authority and Mercer consent, to any other third parties.

1

Introduction

- 1.1 This report sets out the results of the actuarial valuation of the Lancashire County Pension Fund ('the Fund') as at 31 March 2007.

Purpose of valuation

- 1.2 The primary aims of the valuation are to review the financial position of the Fund and to determine appropriate employer contributions to the Fund for the future.
- 1.3 In particular, the valuation aims:
- to assess the Fund's funding position relative to its funding objective;
 - taking the above into account, to determine the appropriate future level of employer contributions.
- 1.4 Under the provisions of the Local Government Pension Scheme Regulations 1997 (as amended) (the "LGPS Regulations"), employer contributions are calculated by the actuary having regard to the assumptions and methodology set out in the Fund's Funding Strategy Statement (FSS). In accordance with the LGPS Regulations, the FSS has been determined by the Fund's Administering Authority, having taken the advice of the Fund's Actuary and after consultation with those parties as it considers appropriate.
- 1.5 The valuation has been carried out in accordance with Regulation 77 of the LGPS Regulations.

Previous actuarial valuation

- 1.6 The previous actuarial valuation of the Fund was carried out as at 31 March 2004 by ourselves.
- 1.7 At the previous valuation an average employer contribution rate of 15.0% of Pensionable Pay was determined, made up of a normal contribution rate for benefits and expenses of 10.0% plus deficiency recovery contributions of 5.0%.

The report on the 2004 actuarial valuation sets out the agreed contribution rates for individual employers for the period 1 April 2005 to 31 March 2008 (the corresponding rates for the year to 31 March 2005 being shown in the 2001 actuarial valuation report). Appendix F includes the amounts of employer contributions which have actually been paid since the last actuarial valuation.

2

Funding objective

- 2.1 The funding objective is to achieve and then maintain assets equal to the funding target. The funding target is the present value of 100% of projected accrued liabilities, including allowance for projected final pay. This is to comply with the requirement of the LGPS Regulations to secure the solvency of the Fund and is in accordance with the Funding Strategy Statement (FSS). The methodology and assumptions by which the funding target and contribution rates are calculated have also been determined in accordance with the Fund's FSS.
- 2.2 The funding objective is the same as at the previous valuation.
- 2.3 The FSS specifies a maximum period for achieving full funding of 22 years. For each individual employer, the funding objective, method and assumptions depend on the particular employer's circumstances and different approaches have been adopted where applicable, in accordance with the FSS. The FSS also specifies any transitional arrangements ("phasing") for the implementation of revised employer contribution requirements.

3

Funding results – funding target

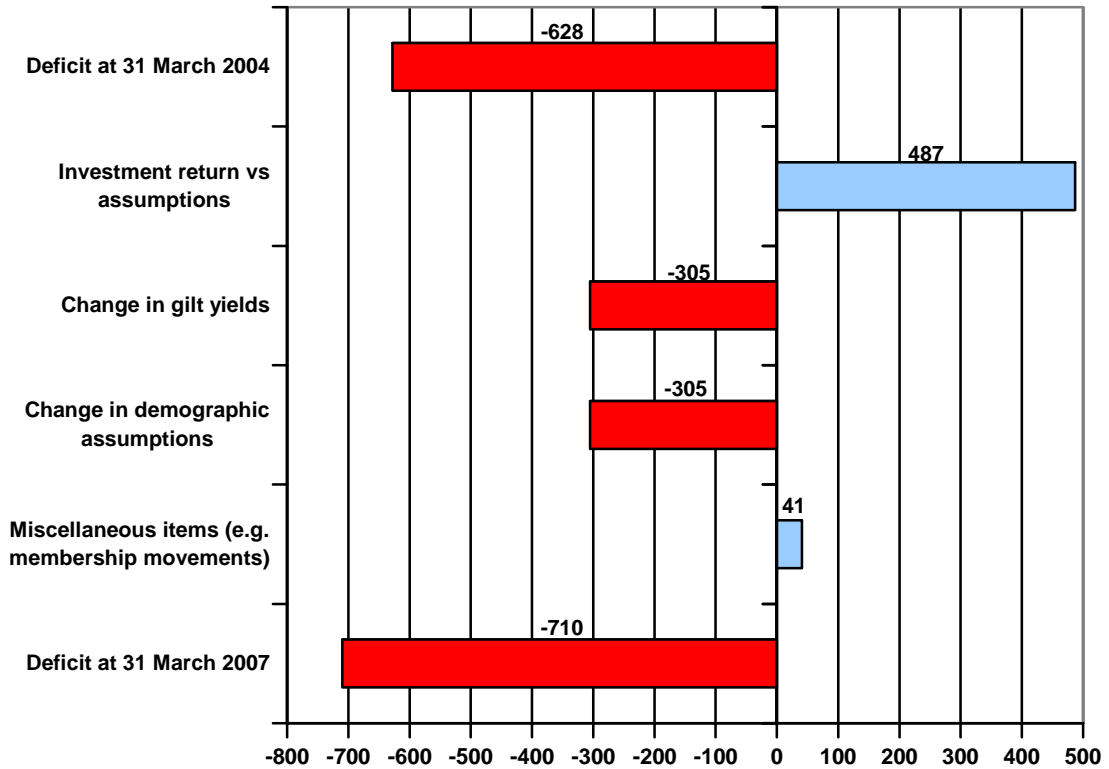
- 3.1 The market value of the Fund's assets at the valuation date is compared with the value of the Fund's past service liabilities (the funding target) below. The funding position at the previous valuation is shown for comparison.

	31 March 2007	31 March 2004
Value of liabilities (£m)		
▪ members in service	2,082	1,421
▪ deferred pensioners	476	269
▪ pensioners	1,841	1,387
Total liabilities funding target	4,399	3,077
Market value of assets (excluding AVCs)	3,689	2,449
Deficit	710	628
Funding level	84%	80%

- 3.2 The shortfall against the funding target at the valuation date was £710 million. This represents a funding level of 84% relative to the funding target.

Analysis of change in funding position

3.3 The key factors influencing the change in the value of the liabilities since the previous valuation are shown below (figures in £m):



3.4 The above analysis highlights a number of material developments affecting the Fund since the previous valuation:

- Investment returns have been very strong, and have more than offset the increases in liabilities due to falls in real yields;
- The effect of assuming longer life expectancy has had a significant impact on the valuation results.

4

Funding results – contribution requirements

- 4.1 This section provides details of the contribution requirements assessed for the Fund as a whole. The contributions payable by the employers for the period 1 April 2008 to 31 March 2011, and the timing and frequency of the contributions, have been certified in Appendices H and I, as is required in accordance with the LGPS Regulations.
- 4.2 These contributions have been determined using the funding objective described in Section 2, and are made up of the following elements:
- a contribution to cover the cost of the future service accrual (including death benefits and expenses);
 - an adjustment to address any imbalance of assets relative to the funding target;
 - an allowance for the costs of future early retirements, where applicable.
- 4.3 In practice, each employer's position is separately assessed. The individual rates shown in Appendix I take into account the differing circumstances of each employer and the funding plan, as laid down in the Funding Strategy Statement, in particular in relation to deficit recovery period, assumed level of investment returns over the deficiency recovery period, and implementation of changes in employer contributions where these are required.

Normal cost

- 4.4 The table below shows the cost of future service accrual (the "normal cost"). This cost is calculated as the value of benefits expected to accrue to the membership in respect of one year's service based on projected salaries. To this is added an allowance for expenses. The figures are expressed as percentages of Pensionable Pay (as defined in Appendix H) and apply for the period to the next formal actuarial valuation.

	2007 %	2004 %
Normal contribution rate for retirement and death benefits	19.4	15.5
Allowance for administrative expenses	0.4	0.4
Total normal contribution rate	19.8	15.9
Average member contribution rate	6.5	5.9
Employer normal contribution	13.3	10.0

Contributions to address shortfall

- 4.5 The funding objective is to achieve and maintain a funding level of 100% of liabilities (the funding target). Adopting the same method and assumptions as used for calculating the funding target, the deficit of £710 million could be eliminated by an average contribution addition of 4.5% of Pensionable Pay for 22 years. This would imply an average employer contribution rate of 17.8% (15.0% at the previous valuation) of Pensionable Pay.
- 4.6 The Schedule to the Rates and Adjustments Certificate (attached as Appendix I) sets out the contribution rates for each employer over the three year period to 31 March 2011 towards the shortfall against the funding target. The corresponding figures for 2007/08 are set out in our report on the actuarial valuation of the Fund as at 31 March 2004.

5

Method and assumptions

Funding method

- 5.1 The funding method adopted is known as the projected unit method. Under the projected unit method, if the membership profile remains stable in terms of age and sex, and the assumptions are borne out, then the normal contribution rate (as a percentage of salaries) will remain stable. The method therefore implicitly allows for new entrants replacing leavers.
- 5.2 For those employers which are closed to new entrants an alternative method is adopted, known as the attained age method. This method makes advance allowance for the anticipated future ageing of the current closed membership group.
- 5.3 The method as specified above is the same as was used at the previous valuation.

Assumptions

- 5.4 The financial and demographic assumptions used to assess the funding target, the normal cost of benefit accrual and the recovery plan are set out in Appendix D.
- 5.5 The table below sets out a summary of the market (gilts) yields at the valuation date, together with the yields at the date of the previous valuation:

	31 March 2007	31 March 2004
Long-dated gilt yield	4.4%	4.6%
Long-dated index-linked gilt yield	1.3%	1.8%
Market expectation for inflation (long-term)	3.1%	2.8%

- 5.6 The assumptions to which the valuation results are particularly sensitive are shown below. A number of changes have been made to the assumptions used, compared with the previous valuation, as noted below and in Appendix D.

	2007 funding target	2007 normal cost	2004 funding target	2004 normal cost
Investment return pre-retirement	6.9% p.a.	6.5% p.a.	7.1% p.a.	6.5% p.a.
Investment return post-retirement	5.4% p.a.	6.5% p.a.	5.6% p.a.	6.5% p.a.
Salary increases	4.85% p.a.	4.50% p.a.	4.55% p.a.	4.25% p.a.
Pension increases in payment	3.1% p.a.	2.75% p.a.	2.8% p.a.	2.5% p.a.
Non-retired members' mortality	PA92 MC YoB tables + 1 year		PA92 Base tables – 2 years	
Retired members' mortality	PA92 MC YoB tables + 1 year		PA92 Base tables	

- 5.7 The mortality rates shown above relate to members retiring in normal health. At this valuation, members retiring in ill-health are assumed to be 5 years older than the above tables.
- 5.8 At this valuation, it has been assumed that, on average, 50% of retiring members will take the maximum tax-free cash available at retirement and 50% will take the standard 3/80ths cash sum. The option which members have to commute part of their pension at retirement in return for a lump sum is a rate of £12 cash for each £1p.a. of pension given up. This assumption did not apply at the last actuarial valuation, as the option to commute additional pension on these terms is a feature which was introduced from 6 April 2006.
- 5.9 The contributions payable under the recovery plan are calculated using the same assumptions as those used to calculate the funding target with the exception that, during the period of the recovery plan, for certain employers an increased investment return on existing assets and future contributions is assumed, as specified in Appendix D.

- 5.10 As an illustration of the mortality rates included in the above table, the future life expectancies for a male/female at age 65 are shown below:

Non-retired members' mortality - current age 45	PA92(YOB) MC + 1	PA92 Base - 2
	22/25 years	19/22 years
Retired members' mortality - current age 65	PA92(YOB) MC + 1	PA92 Base
	21/24 years	17/20 years

- 5.11 The basis of valuing the assets (market value) is consistent with the assumptions used in assessing the funding target and the recovery plan.

6

Least risk funding results

- 6.1 The results of the 2007 valuation show the funding target to be 84% covered by the current assets.
- 6.2 In assessing the value of the Fund's liabilities (the funding target), allowance has been made for asset out-performance as described in Section 5, taking into account the investment strategy adopted by the Fund, as set out in the Fund's Statement of Investment Principles (SIP).
- 6.3 It is not possible to construct a portfolio of investments which produces a stream of income exactly matching the expected liability outgo. However, it is possible to construct a portfolio which closely matches the liabilities and represents the least risk investment position. Such a portfolio would consist mainly of a mixture of long-term index-linked and fixed interest gilts. Investment of the Fund's assets in line with the least risk portfolio would minimise fluctuations in the Fund's ongoing funding level between successive actuarial valuations.
- 6.4 If, at the valuation date, the Fund had been invested in this portfolio, then in carrying out the valuation it would not be appropriate to make any allowance for out-performance of the Fund investments. On this basis of assessment, the assessed value of the Fund's liabilities at the 2007 valuation would have been significantly higher, by approximately 33% and the declared funding level would be correspondingly reduced to approximately 63%.
- 6.5 Departure from a least risk investment strategy, in particular to include equity investments, gives the prospect that out-performance by the assets will, over time, reduce the contribution requirements. The funding target might in practice therefore be achieved by a range of combinations of funding plan, investment strategy and investment performance.

7

Variability and risks

- 7.1 The employer contributions set out in the Schedule to the Rates and Adjustments Certificate have been determined as described in section 4 of this report. These in turn depend on the financial and demographic assumptions used as described in section 5.
- 7.2 It is likely, especially in the short-term, that these assumptions will not be borne out in practice. It is therefore important to consider the potential impact on the employer contribution rates of actual experience differing from what has been assumed. The details in this section do this, based on the valuation results for the Fund as a whole.

Sensitivity to key assumptions

- 7.3 Real investment return, salary increase and life expectancy assumptions impact significantly on the funding position and the following table illustrates the sensitivity to variations in these key assumptions over the long term. The base point is the funding level of 84% shown in section 3.2. Each row of the table considers one change in isolation, with all other assumptions being unaltered. An equivalent change in the assumption in the opposite direction would change the funding level value by the equivalent amount in the opposite direction.

Change in assumption	Revised funding level at 31 March 2007
Pre and post-retirement return reduced by 0.25%	81%
Salary increases reduced by 0.25% p.a.	85%
Life expectancy increased by 1 year	82%

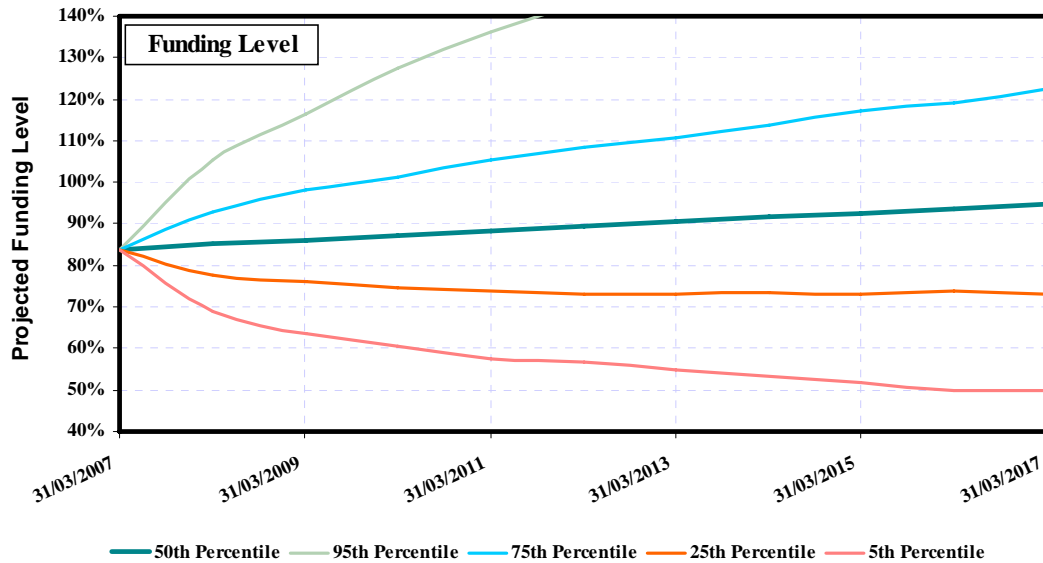
- 7.4 Similarly these assumptions impact significantly on the cost of the benefits accruing over the year. The following table illustrates the sensitivity to variations in these key assumptions over the long term. The starting point is the normal contribution rate of 13.3% of Pensionable Pay shown in section 4.4. Each row of

the table considers one change in isolation, with all other assumptions being unaltered. As before, a change in the assumption in the opposite direction would give rise to a change in the employer normal contribution rate of an equivalent amount in the opposite direction.

Change in assumption	Revised employer normal contribution rate at valuation date (% of Pensionable Pay)
Pre and post-retirement return reduced by 0.25%	14.4
Real salary growth reduced by 0.25% p.a.	12.8
Life expectancy increased by 1 year	13.5

Investment risks

- 7.5 The funding of defined benefits is by its nature uncertain. Funding of the Fund is based on both financial and demographic assumptions. These assumptions are specified in the actuarial valuation report. When actual experience is not in line with the assumptions adopted a surplus or shortfall will emerge at the next actuarial assessment and will require a subsequent contribution adjustment to bring the funding back into line with the target.
- 7.6 The greatest risk to the Fund's funding is the investment risk inherent in the predominantly equity-based strategy, so that actual asset out-performance between successive valuations could diverge significantly from the investment return assumptions made as set out in Appendix D.
- 7.7 The chart below shows a "funnel of doubt" funding level graph, which illustrates the range and uncertainty in the future progression of the funding level, relative to the funding target adopted at the valuation. Using a simplified model, the chart shows the probability of exceeding a certain funding level over a 10 year period from the valuation date. For example, the top line shows the 95th percentile level (i.e. there is a 5% chance of the funding level at each point in time being better than the funding level shown, and a 95% chance of the funding level being lower). The graph adopts the 2007 actuarial valuation results as a starting point, and allows for the planned contributions into the Fund based on the valuation and funding strategy. The chart assumes median investment returns in line with "best estimate" market expectations and variability of those returns broadly in line with historic experience.



7.8 The above chart assumes that the Fund's current investment strategy, which involves investing a significant proportion of its assets in equities, will continue.

7.9 As mentioned in Section 6, alternative investment strategies could be followed that would minimise the risk of deterioration in the funding position assessed relative to the funding target, for example by raising the proportion of bond investment. Such a strategy would reduce the risk that changing economic conditions would cause deterioration in the Fund's funding position. It would also tend to produce a more stable contribution rate but at a higher overall level than indicated in Section 4.

Risks associated with the policy for meeting the funding target

7.10 The Fund's policy for meeting the funding target carries a number of risks. The following paragraphs comment on the following potentially material risks:

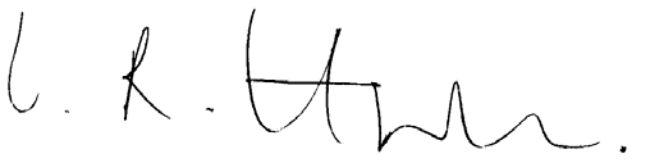
- some of the employers may not be able to continue to pay contributions or make good deficits in the future;
- the future investment return on assets may be insufficient to meet the funding objective;
- falls in asset values may occur that are not matched by similar falls in the values of liabilities;
- unanticipated future changes in mortality may occur, increasing the cost of the benefits;
- members may exercise options against the Fund, for example, a lower take-up for retirement cash than that assumed in the valuation;

- additional pay growth from that assumed in the valuation, including as a result of job evaluation exercises or equal pay claims.
- 7.11 If an employer becomes unable to pay contributions, or is unable to make good deficits in the future, the Fund's assets will be lower than expected and the funding position will be worse than expected. Any shortfall could then become the responsibility of other employers within the Fund.
- 7.12 If the future investment return on assets falls short of the rates assumed in the calculation of the funding target and the recovery plan, the funding position would be worse than expected. It is likely that an increase in future employer contributions would be required. The analysis shown earlier in this section illustrates the potential volatility of contribution rates and funding levels to future investment returns.
- 7.13 If market levels and/or gilt yields changed such that the liability values increase by more than the assets, or decrease by less than the assets, the funding position would be worse than expected. An increase in employer contributions would be expected as a result. The same comments would apply if general population mortality studies and analysis of the Fund show that pensioners are living longer. The analysis shown earlier in this section illustrates the quantitative impact of such changes.
- 7.14 If members made decisions around their options such that those decisions increased the Fund's liabilities (e.g. by not commuting pensions for cash to the extent assumed), the funding position would be worse than expected. As a result, future employer contributions might then need to be increased.

8

Conclusions

- 8.1 The required overall employer contribution rate is, on average, 17.8% of Pensionable Pay subject to any transitional phasing arrangements in accordance with the FSS. Where an additional allowance has been made for certain employers for an increased investment return assumption over the duration of the recovery plan, this has offset the certified employer contribution requirement, as specified in the FSS. These contributions will commence from 1 April 2008.
- 8.2 No additional contributions are required from the employers to meet the Fund's normal administration expenses, since allowance for these is included in the contributions specified. Member contributions (including any additional voluntary contributions) are payable in addition to the employer contributions.
- 8.3 The employer contributions for the period 1 April 2008 to 31 March 2011 are set out in the Schedule to the Rates and Adjustments Certificate, enclosed as Appendix I to this report.



Signature

Fund Actuary

C R Hull

Date of signing

31 March 2008

Qualification

Fellow of the Institute of Actuaries

Appendix A

Summary of benefits

Local Government Pension Scheme 1997

The benefits and contributions payable under the Fund are set out in the Local Government Pension Scheme Regulations 1997 (as amended). Since the date the report on the 2004 actuarial valuation of the Fund was signed, the following amendments to those Regulations have been issued:

- The Local Government Pension Scheme (Amendment) Regulations 2005 (SI2005/1903)
- The Local Government Pension Scheme and Management and Investment of Funds (Amendment) Regulations 2005 (SI2005/2004)
- The Local Government Pension Scheme (Civil Partnership) (Amendment) (England and Wales) Regulations 2005 (SI2005/3069)
- The Local Government Pension Scheme (Amendment) (No. 2) Regulations 2005 (SI2005/3199)
- The Local Government Pension Scheme (Amendment) Regulations 2006 (SI2006/966)
- The Local Government Pension Scheme (Amendment) (No. 2) Regulations 2006 (SI2006/2008)
- The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (SI2006/2914)
- The Local Government Pension Scheme (Amendment) Regulations 2007 (SI2007/228)
- The Local Government Pension Scheme (Amendment) (No.2) Regulations 2007 (SI2007/1488)
- The Local Government Pension Scheme (Amendment) (No.3) Regulations 2007 (SI2007/1561)

The most notable changes since the last valuation are the reinstatement of the Rule of 85 retirement provisions in August 2005 (SI2005/1903), and the further removal of those provisions from 1 October 2006 (for new entrants) and from 1 April 2008 for current members, subject to certain protections (SI2006/966 and SI 2006/2008).

Local Government Pension Scheme 2008

With effect from 1 April 2008 a new scheme is being introduced as a replacement for the 1997 Scheme, under the provisions of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (SI2007/1166). The principal changes from the 1997 Scheme are: the replacement, for future service, of the existing benefits structure based on a pension of 1/80th of Pensionable Pay for each year of pensionable service plus an automatic lump sum of three times this amount by one based on 1/60th of Pensionable Pay for each year of pensionable service; and an increase in the average level of employee contributions from that date. The following supplementary Regulations have also been laid in relation to the new scheme:

- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (SI2008/238)
- Local Government Pension Scheme (Administration) Regulations 2008 (SI2008/239)

In relation to ill-health benefits, there is currently no experience on which to estimate the costs arising in future under the new provisions of the Scheme. The valuation therefore includes the same cost allowance for ill-health retirements as would have applied had the 1997 LGPS Regulations remained in force.

We have made no allowance for other changes which may be introduced in the future.

Benefits recharged to individual employers on a £ for £ basis have been excluded from the calculation of the valuation liabilities.

The benefits that will emerge from money purchase AVCs paid by members, and SCAVCs paid by employers, and the corresponding invested assets in respect of these AVCs and SCAVCs, have been excluded from the valuation.

UK and European law requires pension schemes to provide equal benefits to men and women in respect of service after 17 May 1990 (the date of the “Barber” judgement). There is still no general agreement on whether this applies to inequalities caused by Guaranteed Minimum Pensions (GMPs) and, if it does, what adjustments have to be made to scheme benefits to correct these inequalities. The valuation makes no allowance for equalisation of these inequalities. It is consequently possible that additional funding will be required for equalisation once the law has been clarified.

Appendix B

Summary of membership data

Pensionable Employees

	At 31 March 2004	At 31 March 2007	Increase (%)
Number	50,066	51,056	2.0
Annual Pensionable Pay ¹ (£000s)	660,910	783,996	18.6
Average Pensionable Pay (£)	13,201	15,356	16.3
Average Age (years) ²	47.8	48.6	N/A
Average Pensionable Service (years)	7.5	7.8	4.0

Note: 1 - Pensionable Pay figures include actual pay for part-time employees.

Note: 2 - Weighted by salary and service.

Preserved Pensioners*

	At 31 March 2004	At 31 March 2007	Increase (%)
Number	20,733	31,468	51.8
Annual Pensions inclusive of Pension Increase (£000s)	22,250	32,825	47.5
Average Pension including Pension Increase (£)	1,073	1,043	-2.8
Pension Weighted Average Age (years)	46.2	47.0	N/A

* including frozen refunds and leaver options pending

Current Pensioners

	At 31 March 2004	At 31 March 2007	Increase (%)
Number	24,995	26,983	8.0
Annual Pensions inclusive of Pension Increase (£000s)	94,750	110,854	17.0
Average Pension including Pension Increase (£)	3,791	4,108	8.4
Pension Weighted Average Age (years)	67.5	68.2	N/A

Current Widow/Widower Pensioners etc.

	At 31 March 2004	At 31 March 2007	Increase (%)
Number	5,042	5,068	0.5
Annual Pensions inclusive of Pension Increase (£000s)	10,391	11,595	11.6
Average Pension including Pension Increase (£)	2,061	2,288	11.0
Pension Weighted Average Age (years)	75.2	75.5	N/A

In addition there were 294 current dependant pensioners as at 31 March 2007 with pensions in payment totalling £306,000 per annum.

Appendix C

Distribution of membership by employing bodies

Employing Body	Pensionable Employees	Preserved Pensioners	Pensioners
Accrington & Rossendale College	210	125	65
Alzheimers Society	1	1	0
Arnold Schools Ltd	27	3	9
Barnoldswick Town Council	1	1	0
Beaufort Avenue Day Care Centre	3	1	2
Blackburn College	303	178	97
Blackburn Diocesan Adoption Agency	6	2	4
Blackburn St Mary's College	78	27	9
Blackburn with Darwen Borough Council	4,515	2,822	1,849
Blackpool & Fylde MIND Association	3	1	0
Blackpool & The Fylde College	438	244	170
Blackpool Airport Ltd (from July 2004)	4	1	3
Blackpool Borough Council	4,159	2,262	2,182
Blackpool Coastal Housing	103	1	0
Blackpool Sixth Form College	37	10	7
Blackpool Town Centre Forum Ltd	1	0	0
Blackpool Transport Services Ltd	71	52	276
Blackpool Zoo (Grant Leisure Ltd)	13	6	1
Blackpool, Fylde & Wyre Society for Blind	5	5	15
Burnley Borough Council	603	603	1,002
Burnley College	159	113	38
Calico Housing Ltd	106	58	52
CAPITA	169	74	33
Carden Croft Ltd	1	0	0
Cardinal Newman College	46	54	14
Catholic Caring Services	77	55	21
Chorley Borough Council	333	358	431
Chorley Community Housing	87	0	0
Church Road Methodist Day Centre	12	1	4
Commission for Education & Formation	1	1	0
Community Alliance (Burnley & Padiham) Ltd	4	2	0
Community Council of Lancashire	18	7	4
Community Gateway Association Ltd	104	12	0

Employing Body	Pensionable Employees	Preserved Pensioners	Pensioners
Connexions Lancashire Ltd	0	167	54
Contour Housing Association	8	2	1
CSB Contract Services	1	0	0
CX Ltd	117	1	0
Danfo (UK) Ltd	5	0	0
Edge Hill University College	663	277	177
Elm House Management Committee	5	6	1
Enterprise Managed Services Ltd	16	2	0
Eric Wright Commercial Ltd	1	0	0
Fylde Borough Council	359	200	433
Fylde Coast YMCA	3	0	0
Fylde Community Link	14	5	0
Galloways Society for the Blind	3	1	24
Glenburn Sports Centre (Bullough Contract Services)	6	0	0
Housing Pendle Ltd	105	3	0
Hyndburn Borough Council	354	271	658
Hyndburn Homes Ltd	105	6	2
Hyndburn Homewise	1	0	0
Kirkham Grammar School	55	28	9
Lancashire & Blackpool Tourist Board	18	4	0
Lancashire County Branch Unison	5	1	1
Lancashire County Council	24,992	16,134	16,400
Lancashire Economic Partnership	23	2	0
Lancashire Fire & Rescue Service	267	60	53
Lancashire Police Authority	2,127	429	393
Lancashire Probation Committee	535	193	311
Lancashire Valuation Tribunal	3	4	7
Lancaster & Morecambe College	216	114	54
Lancaster City Council	810	495	892
Lancaster University	904	519	545
Leisure in Hyndburn	71	42	1
Liberata	111	14	3
Lytham Schools Foundation	36	9	22
Mellor's Catering	6	0	0
Myerscough College	296	203	41
Nelson & Colne College	168	171	51
New Directions	2	4	2
New Fylde Housing	18	6	13
North Western & North Wales Sea Fisheries Committee	11	6	9
Ormerod Home Trust Ltd	11	7	2
Our Lady Queen of Peace (Bullough Contract Services)	3	1	0
Pendle Borough Council	377	317	617
Pendle Leisure Trust Ltd	68	42	11
Penwortham Town Council	5	1	0
Preston Care and Repair	5	3	0
Preston City Council	1,200	827	1,219
Preston College	416	374	95
Preston Council for Voluntary Services	5	2	0

Employing Body	Pensionable Employees	Preserved Pensioners	Pensioners
Progress Housing Group Ltd	177	60	48
Progress Recruitments	3	1	0
Queen Elizabeth Grammar School	29	4	7
Ribble Valley Borough Council	281	144	190
Rosendale Borough Council	224	360	565
Rosendale Leisure Trust	50	32	9
Rosendale Transport Ltd	20	8	52
Runshaw College	305	163	53
Skelmersdale College	68	64	26
Skelmersdale Day Centre	1	0	0
South Ribble Borough Council	344	282	345
South Ribble Community Leisure Ltd	56	17	4
Sungard Vivista Ltd	2	1	1
Surestart Hyndburn	38	9	0
Twin Valley Homes Ltd	257	54	26
University of Central Lancashire	1,304	707	360
University of Cumbria (formerly St Martins College)	613	326	109
West Lancashire Community Leisure Ltd	55	17	2
West Lancashire District Council	591	312	599
Whitworth Town Council	1	6	10
Wyre Borough Council	397	233	491
Wyre Housing Association	12	22	22
Former Employers with no active members	0	613	1,037
Totals	51,056	31,468	32,345

Appendix D

Actuarial assumptions used

Funding target assumptions

Financial assumptions

Investment return (discount rate)

A yield based on market returns on UK Government gilt stocks and other instruments which reflects a market consistent discount rate for the profile and duration of the Scheme's accrued liabilities, plus an Asset Out-performance Assumption ("AOA") of 2.5% p.a. for the period pre-retirement and 1% p.a. post-retirement.

The asset out-performance assumptions represent the allowance made, in calculating the funding target, for the long term additional investment performance on the assets of the Fund relative to the yields available on long dated gilt stocks as at the valuation date. The allowance for this out-performance is based on the liability profile of the Scheme, with a higher assumption in respect of the "pre-retirement" (i.e. active and deferred pensioner) liabilities than for the "post-retirement" (i.e. pensioner) liabilities. This approach thereby allows for a gradual shift in the overall equity/bond weighting of the Fund as the liability profile of the membership matures over time.

Individual Employers

Having determined the AOAs as above for the Fund overall, it is important to consider how the financial assumptions in particular impact on individual participating employers. As employers in the Fund will have different mixes of active, deferred and pensioner members, adopting a different pre/post retirement investment return approach is equivalent to hypothecating a different equity/bond mix investment strategy for each employer. Such an approach would be inconsistent with the Fund practice, as set out in the FSS, of allocating investment performance pro rata across all employers based on a "mirror image" investment strategy to the whole Fund. In completing the calculations for individual employers therefore, a single, composite, pre and post retirement asset out-performance assumption of 1.55% p.a. has been calculated which, for the Fund as a whole, gives the same value of the funding target as the separate pre and post retirement AOAs.

Inflation (Retail Prices Index)

The inflation assumption will be taken to be the investment market's expectation for inflation as indicated by the difference between yields derived from market instruments, principally conventional and index-linked UK Government gilts as at the valuation date, reflecting the profile and duration of the Scheme's accrued liabilities.

Salary increases

The assumption for real salary increases (salary increases in excess of price inflation) will be determined by an allowance of 1.75% p.a. over the inflation assumption as described above. This includes allowance for promotional increases.

Pension increases

Increases to pensions are assumed to be in line with the inflation (RPI) assumption described above. The pension increase assumption is modified appropriately to reflect any benefits which are not fully indexed in line with the RPI (e.g. Guaranteed Minimum Pensions in respect of service prior to April 1997).

Demographic assumptions

Mortality

The mortality assumptions will be based on the most up-to-date information published by the Continuous Mortality Investigation Bureau, making allowance for future improvements in longevity and the experience of the scheme. The mortality tables used are PA92 Year of Birth tables with medium cohort improvements, with an age rating reflecting Scheme specific experience of +1 years.

Members who retire on the grounds of ill health are assumed to exhibit average mortality equivalent to that for a good health retiree at an age 5 years older.

Early retirement

Some members are entitled to receive their benefits (or a part of their benefits) unreduced from an age prior to the Fund's normal pension age under the "Rule of 85" provisions of the Regulations. This age will be at some point between ages 60 and 65, depending on the length of a member's pensionable service. The calculations in respect of past service allow for a proportion of the active membership to retire in normal health prior to age 65, as set out below.

Age	% retiring per annum	
	Males	Females
60	24	41
61	15	20
62	21	20

	% retiring per annum	% retiring per annum
63	22	19
64	26	23

For future service the situation is different since the "Rule of 85" rule has been removed for service from April 2008 (October 2006 for new entrants to the Scheme). For future service we have assumed the earliest age at which unreduced benefits become an entitlement is 65 except for those members who have protected status under the transitional provisions.

Other than for certain employers as specified in Appendix I no allowance has been made for non-ill health early retirements prior to the ages specified above. Additional capital contributions will be paid by employers in respect of the cost of these retirements where that exceeds the allowance made.

Ill health retirement

A small proportion of the active membership has been assumed to retire owing to ill health. As an example of the rates assumed, the following is an extract from the decrement table used:

	% leaving per annum	
Age	Males	Females
35	0.06	0.11
45	0.28	0.38
55	1.25	1.69

Withdrawals

This assumption relates to those members who leave the scheme with an entitlement to a deferred pension or transfer value. It has been assumed that active members will leave the Scheme at the following sample rates:

	% leaving per annum	
Age	Males	Females
25	13.50	14.92
35	3.39	4.18

	% leaving per annum	% leaving per annum
45	1.69	2.59

Commutation

It has been assumed that, on average, 50% of retiring members will take the maximum tax-free cash available at retirement and 50% will take the standard 3/80ths cash sum. The option which members have to commute part of their pension at retirement in return for a lump sum is a rate of £12 cash for each £1p.a. of pension given up.

Proportion married/in civil partnership and age difference

It has been assumed that the proportions of members below will on death give rise to a spouse's/civil partner's/dependant's pension, and that spouses/partners of female (male) members are three years older (younger), on average than the member.

Age	% spouse/partner	
	Males	Females
25	34	56
35	81	84
45	92	93

Expenses

Expenses are met out the Fund, in accordance with the Regulations. This is allowed for by adding 0.4% of Pensionable Pay to the contributions as required from participating employers. This addition is reassessed at each valuation. Investment expenses have been allowed for implicitly in determining the discount rates.

Discretionary Benefits

The costs of any discretion exercised by an employer in order to enhance benefits for a member through the Fund will be subject to additional contributions from the employer as required by the Regulations as and when the event occurs. As a result, no allowance for such discretionary benefits has been made in the valuation.

Assumptions used in calculating the cost of future accrual

The cost of future accrual (normal cost) has been calculated using the same actuarial assumptions as used to calculate the funding target as set out above except that the financial assumptions adopted are as described below.

The financial assumptions for assessing the future service contribution rate should take account of the following points:

- contributions will be invested in market conditions applying at future dates, which are unknown at the effective date of the valuation, and which are not directly linked to market conditions at the valuation date; and
- the future service liabilities for which these contributions will be paid have a longer average duration than the past service liabilities.

The financial assumptions in relation to future service (i.e. the normal cost) are not specifically linked to investment conditions as at the valuation date itself, and are based on an overall assumed real return (i.e. return in excess of price inflation) of 3.75% per annum, with a long term average assumption for price inflation of 2.75% per annum. These two assumptions give rise to an overall discount rate of 6.5% p.a.

Adopting this approach the future service rate is not subject to variation solely due to different market conditions applying at each successive valuation, which reflects the requirement in the Regulations for stability in the "Common Rate" of contributions. In market conditions at the effective date of the 2007 valuation this approach gives rise to a somewhat more optimistic stance in relation to the cost of accrual of future benefits compared to the market related basis used for the assessment of the funding target.

At each valuation the cost of the benefits accrued since the previous valuation will become a past service liability. At that time any mismatch against gilt yields and the asset out-performance assumptions used for the funding target is fully taken into account in assessing the funding position.

Summary of key whole Fund assumptions used for calculating funding target and cost of future accrual (the "normal cost") for the 2007 actuarial valuation

Long-term gilt yields

Fixed interest	4.4% p.a.
Index linked	1.3% p.a.
Implied RPI price inflation	3.1% p.a.

Past service Funding Target financial assumptions

Investment return pre-retirement	6.90% p.a.
Investment return post-retirement	5.40% p.a.
Salary increases	4.85% p.a.
Pension increases	3.10% p.a.

Future service accrual financial assumptions

Investment return	6.50% p.a.
RPI price inflation	2.75% p.a.
Salary increases	4.50% p.a.
Pension increases	2.75% p.a.

Demographic assumptions

Non-retired members' mortality	PA92 MC YoB tables + 1 year (+6 years for retirements in ill health)
Retired members' mortality	PA92 MC YoB tables + 1 year (+6 years for retirements in ill health)
Commutation	One half of members take maximum lump sum, others take 3/80ths
Withdrawal	Increased allowance compared to 2004 valuation for younger members to leave service
Other demographics	As for 2004 Valuation

Assumptions used in calculating contributions payable under the recovery plan

The contributions payable under the recovery plan are calculated using the same assumptions as those used to calculate the **funding target**, with the exception that, for certain employers, the required contributions are adjusted to allow for the following variation in assumptions during the period of the recovery plan:

Investment return on existing assets and future contributions

An overall additional return of 3% p.a. above the liabilities consistent gilt yield (4.4% p.a. effective as at the valuation date) reflecting the underlying investment strategy of the scheme and, in particular, including the assets of the scheme that underlie the pensioner as well as the non-pensioner liabilities.

This is equivalent to a total rate of investment return of 7.4% p.a. effective as at the 2007 valuation date.

The investment return assumed for the contributions under the recovery plan is taken to apply throughout the recovery period. As a result, any change in investment strategy which would act to reduce the expected future investment returns could invalidate these assumptions and therefore the funding strategy.

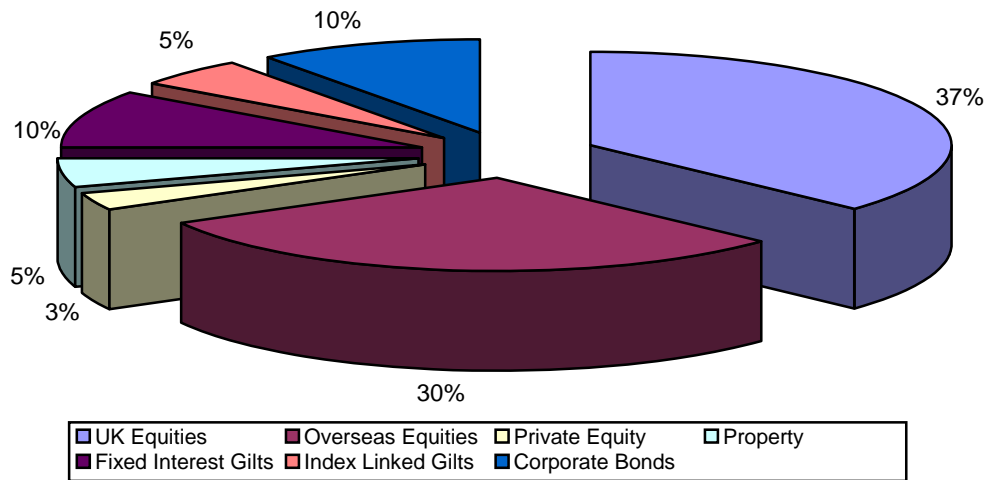
The above variation to assumptions in relation to the recovery plan can only be applied for those employers which the Administering Authority deems to be of sufficiently high covenant to support the anticipation of investment returns, based on the current investment strategy, over the entire duration of the recovery period. No such variation in the assumptions will apply in any case to any employer which does not have a funding deficit at the valuation (and therefore for which no recovery plan is applicable). Where the variation in the assumptions does apply, the resultant total contribution rate(s) implemented following the 2007 valuation will be subject to a minimum of both:

- the contribution rate(s) originally planned for 2008/09 onwards based on the 2004 actuarial valuation, and
- the normal future service contribution rate for the employer concerned.



Summary of assets

Based on the information supplied, the market value of the assets of the Fund (excluding AVCs) at the valuation date is £3,689 million. The target distribution of assets as per the Fund's Statement of Investment Principles is as follows:-



Appendix F

Summary of income and expenditure

INCOME	Year ending 31 March			Total
	2005	2006	2007	
	£000s	£000s	£000s	£000s
Fund at beginning of year	2,449,191	2,782,751	3,477,527	2,449,191
Contributions to Fund:				
Employees	41,557	44,308	46,757	132,622
Employers	89,323	104,931	115,554	309,808
Transfer Values received	27,074	31,078	19,447	77,599
Investment income	69,596	90,491	92,649	252,736
Change in market value of investments	250,926	578,051	99,472	928,449
TOTAL:	2,927,667	3,631,610	3,851,406	4,150,405
EXPENDITURE				
	Year ending 31 March			
	2005	2006	2007	Total
	£000s	£000s	£000s	£000s
Pensions for members/spouses/partners/dependants	104,933	110,274	116,269	331,476
Lump sum benefits	17,361	16,930	24,082	58,373
Refunds on withdrawal	1,104	512	141	1,757
Transfer values paid	14,234	17,467	11,944	43,645
Investment expenses	4,790	6,323	7,369	18,482
Administration expenses	2,494	2,577	2,755	7,826
Fund at end of year	2,782,751	3,477,527	3,688,846	3,688,846
TOTAL:	2,927,667	3,631,610	3,851,406	4,150,405

Appendix G

Experience analysis of the Membership of the Fund based on the period 1 April 2004 to 31 March 2007

The analysis below compares the actual experience over the 3 year period with the assumptions used for the 2007 valuation.

1. III Health Retirements

	Actual	Expected	%
Males	245	272	90
Females	345	736	47
Total	590	1,008	59

2. Withdrawals

	Actual	Expected	%
Males	4,266	1,319	323
Females	14,087	4,175	337
Total	18,353	5,494	334

Note that actual withdrawals include members moving to another LGPS Fund, bulk transfers and also transfers under the special transfer club terms.

3. Pensioner Deaths

a. Based on amounts of pension payable

	Actual (£000s)	Expected (£000s)	%
Males	5,741	5,833	98
Females	3,941	3,383	116
Total	9,682	9,216	105

b. Based on number of pensions in payment

	Actual	Expected	%
Males	1,359	1,187	114
Females	1,818	1,357	134
Total	3,177	2,544	125

Appendix H

Rates and Adjustments Certificate issued in accordance with Regulation 77

Name of Fund

Lancashire County Pension Fund

Regulation 77(3)

I hereby certify that, in my opinion, the Common Rate of employers' contributions payable in each year of the period of three years beginning 1 April 2008 should be at the rate of 13.3 per cent of Pensionable Pay.

I hereby certify that, in my opinion, the amount of the employers' contribution rate payable in each year of the period of three years beginning with 1 April 2008, as set out above, should be individually adjusted as set out in the attached Schedule.

Contributions will be payable monthly in arrears with each payment normally being due by the 19th of the following month. Pensionable Pay is pay as determined under the LGPS Regulations for the calculation of employee contributions.

A further individual adjustment shall be applied in respect of each non-ill health early retirement occurring in the period of the Rates and Adjustments Certificate. This further individual adjustment will be calculated in accordance with methods agreed from time to time between the Fund's actuary and the Administering Authority.

Additional contributions from those set out in the attached Schedule may be paid if requested by the employer concerned.

Regulation 77(7)

I have also shown on the attached Schedule for each employer the allowance made for non-ill health early retirements over the period of three years beginning 1 April 2008 taken into account when setting the employer's contribution rate. I have assumed numbers of early retirements and average additional liabilities in respect of those early retirements will be such that, over the period of the certificate, the total additional liabilities in respect of each employer will be as set out the Schedule. Allowance for ill health retirements has been included in each employer's contribution rate. The additional liabilities anticipated have been assessed using the method and assumptions set out in this report.

**Signature****Name**

C R Hull

Date of signing

31 March 2008

Appendix I

Schedule to the Rates and Adjustment Certificate dated 31 March 2008

	2008/09		2009/10		2010/11		Non-ill health early retirement allowance included for the 3 years 2008/11
	Individual Adjustment %	Total Contribution Rate %	Individual Adjustment %	Total Contribution Rate %	Individual Adjustment %	Total Contribution Rate %	Amount £
	Accrington & Rossendale College	0.8	14.1	2.1	15.4	3.5	16.8
Alzheimers Society	10.5	23.8	10.5	23.8	10.5	23.8	
Arnold Schools Ltd	(1.0)	12.3	1.0	14.3	3.0	16.3	
Barnoldswick Town Council	1.6	14.9	1.6	14.9	1.6	14.9	
Beaufort Avenue Day Care Centre	4.7	18.0	7.1	20.4	9.5	22.8	
Blackburn College	2.6	15.9	2.6	15.9	2.6	15.9	
Blackburn St Mary's College	(2.1)	11.2	(0.8)	12.5	0.5	13.8	

	2008/09		2009/10		2010/11		Non-ill health early retirement allowance included for the 3 years 2008/11
	Individual Adjustment %	Total Contribution Rate %	Individual Adjustment %	Total Contribution Rate %	Individual Adjustment %	Total Contribution Rate %	Amount £
Blackburn with Darwen Borough Council	1.8	15.1	1.8	15.1	1.8	15.1	
Blackpool & Fylde MIND Association	2.5	15.8	2.5	15.8	2.5	15.8	
Blackpool & The Fylde College	1.6	14.9	2.8	16.1	3.9	17.2	£216,000
Blackpool Airport Ltd (from July 2004)	8.5	21.8	12.0	25.3	15.5	28.8	
Blackpool Borough Council	2.6	15.9	2.6	15.9	2.6	15.9	£677,100
Blackpool Coastal Housing	(1.0)	12.3	(1.0)	12.3	(1.0)	12.3	
Blackpool Sixth Form College	0.1	13.4	0.1	13.4	0.1	13.4	
Blackpool Transport Services Ltd	(13.3)	0.0	(13.3)	0.0	(13.3)	0.0	
Blackpool Zoo (Grant Leisure Ltd)	3.1	16.4	3.1	16.4	3.1	16.4	
Blackpool, Fylde & Wyre Society for Blind	25.0	38.3	25.0	38.3	25.0	38.3	
Burnley Borough Council	6.7	20.0	6.7	20.0	6.7	20.0	
Burnley College	0.1	13.4	0.5	13.8	0.9	14.2	
Calico Housing Ltd	4.0	17.3	5.0	18.3	6.0	19.3	
CAPITA	5.3	18.6	7.4	20.7	9.5	22.8	
Carden Croft Ltd	3.5	16.8	3.5	16.8	3.5	16.8	
Cardinal Newman College	0.8	14.1	2.2	15.5	3.4	16.7	
Catholic Caring Services	1.2	14.5	3.6	16.9	4.0	17.3	
Catterall Parish Council	4.5	17.8	4.5	17.8	4.5	17.8	
Chorley Borough Council	3.5	16.8	4.5	17.8	5.5	18.8	
Chorley Community Housing	1.9	15.2	1.9	15.2	1.9	15.2	
Church Road Methodist Day Centre	2.7	16.0	4.2	17.5	5.6	18.9	
Commission for Education & Formation	8.5	21.8	9.7	23.0	10.9	24.2	
Community Alliance (Burnley & Padiham) Ltd	(0.8)	12.5	1.2	14.5	3.2	16.5	
Community Council of Lancashire	1.2	14.5	1.2	14.5	1.2	14.5	
Community Gateway Association Ltd	(1.6)	11.7	(0.7)	12.6	0.2	13.5	
Contour Housing Association	4.2	17.5	4.2	17.5	4.2	17.5	
CX Ltd	(2.4)	10.9	(2.4)	10.9	(2.4)	10.9	

	2008/09		2009/10		2010/11		Non-ill health early retirement allowance included for the 3 years 2008/11
	Individual Adjustment %	Total Contribution Rate %	Individual Adjustment %	Total Contribution Rate %	Individual Adjustment %	Total Contribution Rate %	Amount £
Danfo (UK) Ltd	2.8	16.1	2.9	16.2	3.0	16.3	
Edge Hill University College	0.2	13.5	0.2	13.5	0.2	13.5	
Elm House Management Committee	0.8	14.1	0.8	14.1	0.8	14.1	
Enterprise Managed Services Ltd	(4.2)	9.1	(2.6)	10.7	(1.0)	12.3	
Eric Wright Commercial Ltd	4.0	17.3	4.0	17.3	4.0	17.3	
Fylde Borough Council	2.9	16.2	3.9	17.2	4.9	18.2	
Fylde Coast YMCA	3.0	16.3	3.0	16.3	3.0	16.3	
Fylde Community Link	3.4	16.7	3.4	16.7	3.4	16.7	
Galloways Society for the Blind	27.3	40.6	27.3	40.6	27.3	40.6	
Glenburn Sports Centre (Bullough Contract Services)	3.4	16.7	3.4	16.7	3.4	16.7	
Housing Pendle Ltd	0.3	13.6	0.3	13.6	0.3	13.6	
Hyndburn Borough Council	7.7	21.0	10.5	23.8	11.5	24.8	
Hyndburn Homes Ltd	0.2	13.5	0.2	13.5	0.2	13.5	
Hyndburn Homewise	(0.7)	12.6	1.1	14.4	2.9	16.2	
Kirkham Grammar School	0.7	14.0	1.7	15.0	2.7	16.0	
Kirkland Parish Council	4.5	17.8	4.5	17.8	4.5	17.8	
Lancashire & Blackpool Tourist Board	(3.2)	10.1	(0.2)	13.1	(0.2)	13.1	
Lancashire County Branch Unison	4.3	17.6	4.3	17.6	4.3	17.6	
Lancashire County Council	3.1	16.4	3.8	17.1	4.5	17.8	£2,075,400
Lancashire Economic Partnership	(1.2)	12.1	(1.2)	12.1	(1.2)	12.1	
Lancashire Fire & Rescue Service	3.4	16.7	3.8	17.1	4.2	17.5	£223,600
Lancashire Police Authority	0.1	13.4	0.5	13.8	1.0	14.3	£418,500
Lancashire Probation Committee	4.3	17.6	4.3	17.6	4.3	17.6	
Lancashire Valuation Tribunal	31.9	45.2	31.9	45.2	31.9	45.2	
Lancaster & Morecambe College	0.6	13.9	1.8	15.1	3.0	16.3	
Lancaster City Council	3.8	17.1	4.8	18.1	5.8	19.1	

	2008/09		2009/10		2010/11		Non-ill health early retirement allowance included for the 3 years 2008/11
	Individual Adjustment %	Total Contribution Rate %	Individual Adjustment %	Total Contribution Rate %	Individual Adjustment %	Total Contribution Rate %	Amount £
Lancaster University	(0.6)	12.7	0.1	13.4	0.8	14.1	
Leisure in Hyndburn	1.2	14.5	1.2	14.5	1.2	14.5	
Liberata	2.4	15.7	2.4	15.7	2.4	15.7	
Lytham Schools Foundation	0.5	13.8	0.5	13.8	0.5	13.8	
Mellor's Catering	3.2	16.5	4.2	17.5	5.1	18.4	
Myerscough College	(2.3)	11.0	(1.2)	12.1	(0.2)	13.1	
Nelson & Colne College	(0.2)	13.1	0.4	13.7	1.0	14.3	
New Directions	8.6	21.9	16.6	29.9	24.5	37.8	
New Fylde Housing	12.4	25.7	18.4	31.7	24.2	37.5	
North Western & North Wales Sea Fisheries Committee	8.7	22.0	9.6	22.9	9.6	22.9	
Ormerod Home Trust Ltd	8.9	22.2	8.9	22.2	8.9	22.2	
Our Lady Queen of Peace (Bullough Contract Services)	1.7	15.0	1.7	15.0	1.7	15.0	
Pendle Borough Council	7.3	20.6	8.3	21.6	9.3	22.6	
Pendle Leisure Trust Ltd	0.0	13.3	1.1	14.4	2.1	15.4	
Penwortham Town Council	(1.7)	11.6	(0.4)	12.9	0.9	14.2	
Pilling Parish Council	4.5	17.8	4.5	17.8	4.5	17.8	
Preston Care and Repair	0.9	14.2	0.9	14.2	0.9	14.2	
Preston City Council	2.8	16.1	3.6	16.9	4.3	17.6	
Preston College	(0.8)	12.5	0.4	13.7	1.6	14.9	
Preston Council for Voluntary Services	(1.7)	11.6	(1.7)	11.6	(1.7)	11.6	
Progress Housing Group Ltd	3.9	17.2	4.9	18.2	5.9	19.2	£137,000
Progress Recruitments	(2.3)	11.0	(0.3)	13.0	1.5	14.8	
Queen Elizabeth Grammar School	3.1	16.4	4.8	18.1	6.4	19.7	
Ribble Valley Borough Council	2.3	15.6	2.3	15.6	2.3	15.6	£198,000
Rossendale Borough Council	4.8	18.1	4.8	18.1	4.8	18.1	

	2008/09		2009/10		2010/11		Non-ill health early retirement allowance included for the 3 years 2008/11
	Individual Adjustment %	Total Contribution Rate %	Individual Adjustment %	Total Contribution Rate %	Individual Adjustment %	Total Contribution Rate %	Amount £
Rossendale Leisure Trust	(1.5)	11.8	(1.5)	11.8	(1.5)	11.8	
Rossendale Transport Ltd	1.3	14.6	1.3	14.6	1.3	14.6	
Runshaw College	(0.6)	12.7	0.5	13.8	1.5	14.8	
South Ribble Borough Council	3.2	16.5	4.1	17.4	5.0	18.3	
South Ribble Community Leisure Ltd	4.3	17.6	4.3	17.6	4.3	17.6	
Sungard Vivista Ltd	3.7	17.0	3.7	17.0	3.7	17.0	
Surestart Hyndburn	(5.6)	7.7	(4.7)	8.6	(3.8)	9.5	
Twin Valley Homes Ltd	3.7	17.0	3.7	17.0	3.7	17.0	
University of Central Lancashire	(0.7)	12.6	(0.7)	12.6	(0.7)	12.6	
University of Cumbria (formerly St Martins College)	(1.3)	12.0	(1.0)	12.3	(0.8)	12.5	
West Lancashire Community Leisure Ltd	(2.9)	10.4	(2.9)	10.4	(2.9)	10.4	
West Lancashire District Council	4.7	18.0	4.7	18.0	4.7	18.0	
Whitworth Town Council	3.6	16.9	3.6	16.9	3.6	16.9	
Wyre Borough Council	7.4	20.7	7.4	20.7	7.4	20.7	
Wyre Housing Association	28.7	42.0	34.7	48.0	40.5	53.8	

Note

In certain cases employers have informed the Fund of a wish to pay higher contributions than the minimum which would be required in accordance with the Funding Strategy Statement and this report. In these cases, the increased levels of contributions have been certified above.

Other interested bodies with no pensionable employees

Former Employers	Proportion of Pension Increases to be Recharged %
Blackpool Council for Voluntary Service	See notes
Blackpool & Fylde Society for the Deaf	100
Burnley & Pendle Development Association	100
Burnley Citizens Advice Bureau	See notes
Burton Manor Residential College	100
Ex Department of Transport	100
Ex National Health Service	100
Ex National Water Council	100
Fylde Coast Development Association	100
Lancashire On-Line Learning	See notes
Lancashire West Partnership	See notes
Lancashire South East Probation Committee	100
Skelmersdale College	See notes
Spastics Society	100

Notes

Members of the Fund employed by Skelmersdale College have transferred to membership of the Tyne and Wear Fund, and so a bulk transfer payment will be required. Any residual funding shortfall in the LCPF after the transfer payment should then be recovered from the College.

Any further contributions required in respect of termination assessments for the admission agreements with Blackpool CVS, Burnley CAB, Lancashire West Partnership and Lancashire On-Line Learning will be notified separately.

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