

Lancashire County Council

Pension Fund Committee

Minutes of the Meeting held on Friday, 10th December, 2010 at 10.00 am at the Cabinet Room 'D' - County Hall, Preston

Present:

County Councillor David Westley (Chair)

County Councillors

M Welsh	F De Molfetta
T Aldridge	T Pimblett
M Barron	S Riches
M Brindle	G Roper
Mrs S Charles	K Young
M France	

Co-opted members

G Bell	(Blackpool Council)
P Doyle	(Lancashire Leaders' Group)
B Harvey	(Trade Union representative)
P Hyett	(HE/FE Sector Establishments)
R Whittle	(Trade Union representative)

Independent Advisers - Panel Members:

E Lambert

N Mills

15. Apologies

Apologies for absence were presented on behalf of County Councillor R Lawrenson and Councillor R O'Keeffe.

16. Disclosure of Personal and Prejudicial Interests

County Councillors D Westley, M France, T Pimblett and M Brindle, and Mr P Hyett and Mr R Harvey disclosed personal non-prejudicial interests in this agenda as they were members of the Local Government Pension Scheme.

County Councillor S Riches disclosed a personal non-prejudicial interest in this agenda as she was related to a member of the Local Government Pension Scheme.

County Councillor M Barron disclosed a personal non-prejudicial interest in this agenda as he was related to an employee of the Mercer Limited. Councillor Barron was also a member of the Lancashire Combined Fire Authority.

County Councillors T Pimblett and G Roper also declared non-prejudicial interests in this agenda as they were members of the Lancashire Police Authority.

17. Minutes of the Meeting held on 16 July 2010

The minutes of the meeting held on 16 July 2010 were presented.

The Committee received an update on progress against the 2010/11 Business Plan.

Resolved: That the minutes of the meeting held on 16 July 2010 be confirmed and signed by the chair.

18. Audit Commission - Annual Governance Report

The Committee considered the Audit Commission's Pension Fund Annual Governance report for the year ended 31 March 2010.

It was noted that the Governance Report had already been considered by the Audit Committee and that the letter of representation and action plan, as set out at Appendices 3 and 4 to the Report, had been approved.

Resolved: That the Audit Commission's Pension Fund Annual Governance report 2009/10 be noted.

19. The Results of the 2010 Actuarial Valuation of the Lancashire County Pension Fund

The Committee considered the initial results of the 2010 Actuarial Valuation of the Lancashire County Pension Fund.

The triennial Valuation of the assets and liabilities of the Lancashire County Pension Fund from 1 April 2007 to 31 March 2010 had been carried out by the Fund Actuary, Mercer. The results of the Valuation, including amendments to individual employer contribution rates, would be effective from 1 April 2011.

The previous Valuation (effective from 1 April 2008) revealed a funding position of 84% and an average employer contribution rate of 17.8%. The 2010 Valuation had revealed a funding level of 80% and an average employer contribution rate of 19.4% which was a small worsening of the previous position. This result was largely due to the unfavourable changes in market conditions over the period but this had been offset to some extent by the impact of revised demographic assumptions adopted by the Actuary for the 2010 Valuation.

Individual employer contribution rates and the options available to mitigate the impact of increased contributions would be presented to Fund employers at a Briefing to be held at County Hall on 14 December 2010.

The formal Actuarial Valuation Report as at 31 March 2010 was expected to be available by 31 March 2011. A copy of the Report would be sent to all members of the Committee.

Resolved: That the initial results and the continuing process in respect of the 2010 Actuarial Valuation of the Lancashire County Pension Fund be noted.

20. Date of Next Meeting

It was noted that the next meeting of the Lancashire Pension Fund Committee would be held on Friday 4 February 2011 at 10.00am at County Hall, Preston.

It was also noted that the meeting scheduled to take place on 25 March 2011 had been rearranged and would now be held on 15 April 2011 at 10.00am.

21. Exclusion of Press and Public

Resolved: That the press and members of the public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the paragraph of Part 1 of schedule 12A to the Local Government Act, 1972, indicated against the heading to the item. It was considered that in all the circumstances the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

22. Item 8 Investment and liability strategy

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.)

The Committee considered a report on:

- Proposals for new post valuation investment and liability strategies;
- A proposed investment strategy improvement plan; and
- The value and allocation of assets of the Lancashire County Pension Fund as at 30 September 2010.

It was noted that a further report on proposed changes to the Fund's governance arrangements would be presented to the next meeting of the Committee on 4 February 2011.

Resolved:

1. That the new investment and liability strategies as set out at Appendix 'A' be approved and that the consequent structural changes to the Investment Panel and the Pensions Investment teams be noted.
2. That the proposed investment strategy improvement plan as set out at Appendix 'B' be approved.
3. That the value and allocation of assets of the Lancashire County Pension Fund as set out at Appendix 'C' be noted.

I M Fisher
County Secretary and Solicitor

County Hall
Preston