

Lancashire County Council

Pension Fund Committee

Minutes of the Meeting held on Tuesday, 22nd March, 2016 at 2.00 pm in Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Present:

County Councillor Kevin Ellard (Chair)

County Councillors

M Barron	A Schofield
D Borrow	K Sedgewick
J Oakes	D Westley
M Otter	D Whipp
M Parkinson	B Yates

Co-opted members

Paul Crewe, (Trade Union Representative)
Councillor Peter Rankin, (Lancashire Leaders' Group Representative)
Councillor Edward Pope, (Lancashire Leaders' Group Representative)
Councillor Mark Smith, (Blackpool Council Representative)
Councillor Ron Whittle, (Blackburn with Darwen Borough Council Representative)

External Advisor

Aoifinn Devitt

1. Apologies

Apologies were received from County Councillor G Dowding.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

None.

3. Urgent Business

None.

4. Date of Next Meeting

It was noted that the next meeting of the Committee would be held on Friday 10 June 2016 at 10.00am in Cabinet Room 'C' - The Duke of Lancaster Room, County Hall, Preston.

5. Exclusion of Press and Public

Resolved: - That the press and 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 appropriate 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.

6. The Creation of the Local Pensions Partnership Ltd

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

The Committee considered a report on the final proposals in relation to the creation of a partnership between the Lancashire County Pension Fund and the London Pension Fund Authority.

The Committee's attention was drawn to the following key issues in relation to the establishment of the "Local Pensions Partnership Limited" (LPPL):

- The financial viability of the LPPL including the conclusions of a detailed review undertaken by PricewaterhouseCoopers;
- The loan facility with LPPL;
- Governance issues and key risks including the views of DAC Beachcroft LLP on the legal agreements required to give effect to the partnership arrangement;
- The Financial Conduct Authority's authorisation;
- The remuneration policy for senior staff in LPPL;
- The Council's short and long term treasury management arrangements;
- The ICT agreement;
- The views of the Investment Panel; and
- Revised terms of reference and delegation arrangements for the County Council consequent upon the establishment of LPPL.

Members gave detailed consideration to the report and to the views on the proposed partnership as presented by officers, the Investment Panel and representatives of PricewaterhouseCoopers and DAC Beachcroft LLP. George

Graham, LPPL Chief Finance Officer & Managing Director - Administration Business designate, also responded to questions raised by Members.

It was noted that the Full Council would need to approve the LPPL proposal. The Committee agreed that the Full Council should be recommended to support the proposals as set out in the report including the conditions precedent which must be in place prior to the commencement of the joint venture.

Resolved:

- (i) That the reports provided at Appendices 'A' 'B' and 'D' on the financial viability and the proposed legal/governance arrangements in relation to LPPL, identifying the risks and opportunities which the proposed joint venture involves be noted.
- (ii) That the verbal updates provided at the meeting by the Investment Panel on the proposals be noted.
- (iii) That the recommendations including the conditions precedent, as set out in the report now presented, be approved.

I Young
Director of Governance, Finance
and Public Services

County Hall
Preston