Electoral Division affected:
(All Divisions);

Review of the Investment Strategy Statement
(Appendix 'A' refers)

Contact for further information: Abigail Leech, (01772) 530808, Head of Fund, Lancashire County Pension Fund abigail.leech@lancashire.gov.uk

Executive Summary

This report sets out details of an item which the Director of Governance, Finance and Public Services has approved under the procedure for dealing with matters of Urgent Business. This decision was taken on the 31st October 2016.

Details of the decision were reported to the Pension Fund Committee on the 13th December 2016.

Recommendation

The Board are asked to note the report.

Background and Advice

Lancashire County Council is the administering authority of the Lancashire County Pension Fund and is required to publish an Investment Strategy Statement (ISS) in accordance with DCLG guidance on Preparing and Maintaining an Investment Strategy Statement (Sept 2016).

New investment regulations came into force on the 1st November 2016 and in order for the old regulation and investment limits to be revoked an ISS was required to be approved and published by that date. Use of the Urgent Business Procedure was considered necessary as the next scheduled meeting of the Pension Fund Committee would not be until the 2nd December 2016.

Following consultation with the Chair and Deputy Chair of the Committee, the Director of Governance, Finance and Public Services approved the ISS as reported to the Pension Fund Committee on the 13th December 2016. A copy of the approved ISS is attached as Appendix 'A'.
Consultations

The independent advisers to the Pension Fund Committee were consulted on the final version of the ISS and indicated that they were happy to recommend it for approval. In addition a copy of the ISS was circulated to all members of the Lancashire Local Pension Board and the Pension Fund Committee for information.

The Chair and Deputy Chair of the Pension Fund Committee were consulted and supported the proposed action.

Implications:

This item has the following implications, as indicated:

Risk management

The new regulations require each Administering Authority to publish an Investment Strategy Statement (ISS) to replace the current Statement of Investment Principles. Until such time as the ISS is published the old regulations will remain in force for the Administering Authority. Once published the ISS provides "access" to the new regulations.

In order to prevent any delay or risk when progressing the transition of assets into pooling vehicles it is desirable that LCPF and LPFA access the new regulations at the earliest opportunity.

Financial Implications

The Investment Strategy Statement (ISS) is important to enable Local Pension Partnership Investments (LPP I) to commence pooling and achieve savings that were agreed in the approved business plan.

Local Government (Access to Information) Act 1985
List of Background Papers

<table>
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<tr>
<th>Paper</th>
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<tbody>
<tr>
<td>The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016</td>
<td>1st Nov 2016</td>
<td>Abigail Leech (01772) 530808</td>
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</tbody>
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Reason for inclusion in Part II, if appropriate