

## **Pension Fund Committee**

Meeting to be held on Friday, 30 June 2017

Electoral Division affected: (All Divisions);
--

### **Transaction of Urgent Business - revised Statement of Compliance with the UK Stewardship**

(Appendix 'A' refers)

Contact for further information: Mike Neville, Tel: (01772) 533431, Senior Democratic Services Officer, [mike.neville@lancashire.gov.uk](mailto:mike.neville@lancashire.gov.uk)

#### **Executive Summary**

This report sets out details of a decision taken by the Director of Governance, Finance and Public Services on the 3<sup>rd</sup> May, 2017, under the procedure for dealing with matters of Urgent Business in relation to the approval of a revised Statement of Compliance with the UK Stewardship Code for the Lancashire County Council Pension Fund (LCPF).

In accordance with Standing Order 21(1) a copy of the decision was circulated to the appropriate Group spokespersons for information.

#### **Recommendation**

The Committee is asked to note the report.

#### **Background and Advice**

At the meeting on the 2<sup>nd</sup> December, 2016, the Pension Fund Committee noted a report regarding the LCPF being temporarily delisted as a signatory to the UK Stewardship Code for a period of 6 months pending the Fund's development of an Investment Strategy Statement.

The Lancashire Local Pension Board received a report on stewardship matters at the meeting on the 11<sup>th</sup> April 2017 which included an update on the Statement of Compliance.

During consideration of the report the Board discussed the requirement to revise the Statement of Compliance with the UK Stewardship Code and noted the previous decision to temporarily delist the LCPF. It was reported that the revised Statement of Compliance was being drafted and the Board noted that, once finalised, the revised Statement would be circulated to the Chair/Deputy Chair of the Pension Fund Committee and Board members for comment and approval before being submitted to the Financial Reporting Council for assessment.

A copy of the draft revised Statement of Compliance was circulated to all members of the Lancashire Local Pension Board by email on the 25<sup>th</sup> April 2017 with a request that any comments be received by the 2<sup>nd</sup> May, 2017. Some comments were received as a result of the consultation and the Statement was amended in accordance with points made.

A copy of the final version of the revised Statement of Compliance which was subsequently circulated to the Chair and Deputy Chair of the Pension Fund Committee for comment is attached as Appendix 'A'.

### **Reason for the Use of the Urgent Business Procedure**

The temporary delisting of the LCPF as a signatory to the UK Stewardship Code for a period of 6 months pending the Fund's development of an Investment Strategy Statement was due to come to an end before the next scheduled meeting of the Pension Fund Committee on the 30<sup>th</sup> June 2017.

### **Consultations**

All members of the Lancashire Local Pension Board were consulted on the draft revised Statement of Compliance and comments received were taken into account when finalising the Statement.

The Chair and Deputy Chair of the Pension Fund Committee were consulted on the proposal. A response was received from the Chair in support of the proposed course of action.

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

DCLG published guidance on producing an investment strategy statement as required under The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 in September 2016. In a change to previous arrangements the guidance requires Administering Authorities to become signatories to the UK Stewardship Code and to state how they implement the seven principles and guidance of the Code. The Statement of Compliance with the UK Stewardship Code for LCPF is in fulfilment of new requirements under the DCLG Guidance.

### **Local Government (Access to Information) Act 1985**

#### **List of Background Papers**

Paper	Date	Contact/Tel
Urgent Business item	May 2017	M Neville 01772 533431

Reason for inclusion in Part II, if appropriate  
N/A