

Pension Fund Committee

Meeting to be held on Friday, 30 June 2017

Electoral Division affected: None

Responsible Investment (Appendix 'A' refers)

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Executive Summary

The report at Appendix 'A' provides the Pension Fund Committee with an update on Responsible Investment matters.

Responsible Investment (RI) encompasses a range of stewardship activities associated with Lancashire County Pension Fund (LCPF) fulfilling its fiduciary duty to act in the best long term interests of fund beneficiaries.

Recommendation

The Committee is asked to note the report.

Background and Advice

The Pension Fund Committee receives a quarterly report on RI-related matters as part of the investment management services LCPF receives from the Local Pensions Partnership (LPP) as the Fund's external provider of pension services. RI reports provide information on the stewardship of the Fund's assets by LPP and enable the committee to monitor the activities undertaken.

The report at Appendix 'A' has been prepared by the Responsible Investment Manager at LPP Investments Ltd and provides information on how the Fund is being supported to fulfil its commitment to long term responsible asset ownership in line with the approach it has set out within its Investment Strategy Statement.

For the purposes of reporting on voting, engagement and litigation monitoring activities, the information provided within the report at Appendix 'A' relates to the first quarter of 2017/18 and focusses on the period from 1st January to 31st March 2017.

For the purposes of reporting on wider matters, more recent developments are reflected as part of bringing current and emerging issues to the Committee's attention.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

It is an important component of good governance that the Fund is an engaged and responsible investor committed to actions which are in the best long term interests of fund members and beneficiaries.

As an LGPS Fund, LCPF is required to be a signatory to the UK Stewardship Code and to uphold the principles espoused by the code.

The monitoring of investee companies and the promotion of good corporate governance practices can help to reduce the risk of unexpected losses arising as a result of poor over-sight and lack of independence.

Responsible investment practices underpin the fulfilment of LCPF's fiduciary responsibilities to Fund beneficiaries and are implemented in practice through the advisory and investment management services provided by LPP I.

Quarterly RI Reports provide information to the Pension Fund Committee on the stewardship of the Fund's assets by LPP I and enable the committee to monitor the activities undertaken.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Tel
UK Stewardship Code (Financial Reporting Council September 2012)	September 2017	Abigail Leech, (01772) 5 30808
Reason for inclusion in Part II, if appropriate		
N/A		