

Pension Fund Committee

Meeting to be held on Friday, 15 September 2017

Electoral Division affected: None;

Local Pensions Partnership Annual Report 2016/17

Appendix A refers

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Executive Summary

This report sets out the Annual report and accounts for the Local Pensions Partnership (LPP) for the period ended 31 March 2017.

The Annual report and accounts were approved by LPP's board on the 24th July 2017.

Recommendation

The Committee is asked to note the content of LPP's annual report as attached at Appendix 'A'.

Background and Advice

The Pension Fund Committee are charged with overall governance of the Fund and overseeing the investment and administration functions operated within the Local Pensions Partnership (LPP). The shareholders agreement with LPP and the governance policy documents for the fund state that Pension Fund Committee should receive the annual accounts for LPP. The Annual Report for LPP attached at Appendix 'A' includes the accounts.

LPP started operation in April 2016 and this is the first Annual Report and accounts. The report covers some of the key achievements in the year, future aspirations and the financial statements.

Some of the achievements outlined in the report are:

- Assets under management have increase by £2billion to £12.5billion since the launch of the company
- The launch of LPP I Global Equities Fund in November 2016 and a Private Equity Pool in March 2017
- The creation of a governance structure which meets FCA and legal requirements

- The creation of a stable workforce with excellent knowledge established from staff from both shareholders organisations and recruitment in key areas.

Future Plans identified

- Creation of a new administration operating model
- Expansion of client base on the administration services
- Creation of new pools to complete the transition to pooled funds.
- To work with partners to expand Infrastructure class
- Enhance asset and liability management tools

Financial

The results of the LPP group for the period is a profit after tax of £3.443m. Where the group makes a profit that is not required to be reinvested in the business, refunds will be passed back to clients through an annual rebate mechanism. A rebate has not been made to date due to the £8.4m of expected transformation costs in the next two years.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The shareholders agreement with LPP and the governance policy documents for the fund state that the Pension Fund Committee should receive the annual accounts for LPP.

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

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A