

Pension Fund Committee

Meeting to be held on Friday, 20 September 2019

Electoral Division affected: None;

Local Pensions Partnership 2018/19 Annual Report and Accounts

Appendix 'A' refers

Contact for further information:

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Executive Summary

The Local Pension Partnership shareholders agreement requires the Committee to receive the Annual Report and Accounts for the Partnership.

The Annual Report and Accounts for the year ended 31 March 2019 (a copy of which is set out at Appendix 'A') were approved by the Local Pensions Partnership Board and signed on 31 July 2019 and are publically available via the Local Pensions Partnership website.

Recommendation

The Committee is asked to note the content of the 2018/19 Annual Report and Accounts for the Local Pensions Partnership as set out at Appendix 'A' to this report.

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.

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

The Annual Report and Accounts for the year ended 31 March 2019 are attached at Appendix 'A'.

The report includes the financial statements of the company together with a review of corporate governance arrangements, strategy and performance during the year, with some key highlights being discussed in more detail.

Some of the achievements and highlights mentioned in the report include:

- Assets under management have increased to £17.4 billion (Lancashire County Pension Fund contributes £8.4 billion to this figure) from £13.1 billion at 31 March 2018.
- The number of pooled investment vehicles available to clients has increased from 6 to 7 with an 8th fund for real estate investments due to be launched later in 2019.
- The Local Pensions Partnership were finalists in a number of industry awards and GLIL Infrastructure were awarded the 2019 European Pensions award for 'Manager of the Year'.
- Pension administration services are now provided to almost 600,000 members from around 1,800 public and charity sector employers in 17 pension schemes.
- Single pension administration operating model rolled out and establishment of a dedicated contact centre in Preston for employer and member queries.
- The partnership has become an asset owner signatory to the UN Principles for Responsible Investment.

Future plans and areas for improvement identified in the report include:

- Member and employer engagement activities.
- Continue building operational resilience across the business.
- Streamlining of governance and decision making processes.
- Development of an enhanced ICT strategy.
- Launch of final investment pooling vehicle, for real estate investments.
- Implementation of updated investment portfolio management system.

Financial

Grant Thornton, as external auditors of the Local Pensions Partnership provided a 'clean' audit opinion on 31 July 2019. The accounts of the Local Pensions Partnership Group report a profit of £0.2m for the year to 31 March 2019, compared to a loss of £2.1m in the previous year.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The shareholders agreement with the Local Pensions Partnership and the governance policy documents for the Fund state that the Pension Fund Committee should receive the annual accounts of the partnership.

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

Paper	Date	Contact/Tel
N/A		
Reason for inclusion in Part II, if appropriate		
N/A		