

## **Pension Fund Committee**

Meeting to be held on 10 June 2016

Electoral Division affected: None
--------------------------------------

### **Local Pensions Partnership Limited - Non Executive Director Pay Policy**

Contact for further information:

Abigail Leech, (01772) 530808, Interim Head of Fund

abigail.leech@lancashire.gov.uk

#### **Executive Summary**

At its meeting on 1 June 2015 the Pensions Partnership project advisory working party discussed and agreed the principles relating to the pay policy for the Chair and Non-Executive Directors (NEDs) of the joint venture company.

The pay scales proposed have been benchmarked with market comparisons. The principle adopted for the NED shareholder representatives is they would receive the excess of the independent NED fee (currently £30,000 pa) over the fee received from the Shareholder's sovereign body.

Applying this principle to the County Council, as the allowances received by the Council's NED are above the £30,000 threshold, he will not therefore receive any additional remuneration as the Council's NED.

#### **Recommendation**

The Committee is recommended to approve the Local Pensions Partnership Ltd (LPPL) pay policy as set out in the report and the proposed principle in relation to payments to Shareholder NEDs.

#### **Background and Advice**

At its meeting on 1 June 2015, the Pensions Partnership project advisory working party discussed and agreed the principles relating to the pay policy for the Chair and NEDs of the proposed new company. Following benchmarking, the remuneration proposed is as follows:

<b>Role</b>	<b>Remuneration</b>
Chairman	£70,000 p.a.
Non-Executive Director	£30,000 p.a.
NED Plus Chair of Remuneration Committee	£35,000 p.a.
NED Plus Chair of Administration Company	£35,000 p.a.

NED Plus Chair of Risk Committee	£35,000 p.a.
Chair of LPPI	£25,000 p.a.

### **Shareholder NED Pay**

The principle proposed in relation to remuneration for the Shareholder Representative NEDs is that they receive the excess of the independent NED fee (£30,000 pa) over the fee received from the Shareholder's sovereign body.

Applying this principle to the County Council, as the allowances received by the Council's NED, the Deputy Leader, are above the £30,000 threshold, he will not therefore receive any additional remuneration as the Council's NED.

### **Consultations**

N/A

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

Financial

The financial costs of these posts have been included in the business model present to the Committee and reviewed by PwC.

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

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

N/A

Reason for inclusion in Part II, if appropriate

N/A