

Lancashire County Council

Pension Fund Committee

**Minutes of the Meeting held on Friday, 1st February, 2019 at 10.00 am in
Committee Room 'C' - The Duke of Lancaster Room, County Hall, Preston**

Present:

County Councillor Eddie Pope (Chair)

County Councillors

J Burrows	T Martin
S Clarke	J Mein
G Dowding	A Riggott
C Edwards	K Snape
K Ellard	A Snowden

A Schofield

Co-opted members

Mr Paul Crewe, (Trade Union Representative)
Councillor Ron Whittle, (Blackburn with Darwen Borough Council Representative)
Councillor Ian Moran, (Borough and City Councils Representative)
Councillor David Borrow, (Borough and City Councils Representative)
Jennifer Eastham, (Further Education/Higher Education Institutions).

Also in attendance.

Mrs A Leech, Head of the Fund, Lancashire County Council.
Mr M O'Higgins, Chairman of the Local Pensions Partnership Board.
Ms S Martin, Chief Executive, Local Pensions Partnership
Mr G Smith, Director of Strategic Programmes and Group Company Secretary,
Local Pensions Partnership.
Mr A Taylor, Chief Finance Officer, Local Pensions Partnership.

1. Welcome and Apologies

The Chair welcomed the representatives from the Local Pensions Partnership to the meeting and all those present introduced themselves.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

No declarations were made in relation to items appearing on the agenda.

3. Minutes of the Meeting held on the 30th November 2019

During consideration of the draft Minutes from the last meeting it was suggested that the reporting of the discussion in relation to item 13 did not sufficiently reflect the level of concern expressed by the Committee in relation to the pension administration service. Accordingly it was agreed that in the second paragraph of the wording of the Minute would be amended to read 'considerable' concern.

Mr Crewe reported that the issues regarding the backlog of casework which he had raised with the Director of Strategic Programmes and Group Secretary from the Local Pensions Partnership after the last meeting had been resolved.

The Head of Fund confirmed that to date no response had been received regarding the proposed Joint Working Group on Responsible Investment and undertook to raise the issue with the London Pension Fund Authority.

Resolved:

1. That the text of item 13 in the draft Minutes are amended to read 'However, there was *considerable* concern that the backlog had still not been cleared and clarification on that point was requested'.
2. That, subject to the amendment specified at 1 above, the Minutes of the meeting held on the 30th November 2019 are confirmed as an accurate record and signed by the Chair.

4. Urgent Business

No items of urgent business were raised under this heading.

5. Date of Next Meeting

It was noted that the next scheduled meeting would be held at 10.30am (preceded by a 30 minute briefing) on the 29th March 2019 in Committee Room 'C' – The Duke of Lancaster Room at County Hall, Preston.

6. Exclusion of Press and Public

Resolved: That the press and public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraphs of Part 1 of Schedule 12A to the Local Government Act, 1972, as indicated against the heading of each item. It is considered that in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

7. Local Pensions Partnership 2019/20 Strategic Plan and Budget

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information).

The Committee received presentations from the Local Pension Partnership representatives in relation to the proposed 2019/20 budget and short term objectives. It was noted that the associated strategic plan had not changed from the one approved by Committee in June 2018.

It was reported that the Local Pension Partnership had faced challenges over the last 9 months and had responded to the issues raised by the Committee with regard to the pension administration service. A number of examples were given of recent improvements to the service and in relation to the ongoing performance of the Fund.

The Committee was informed that the budget set out at Appendix 'A' was primarily focussed on short term measures to provide a quality, cost effective service with an emphasis on the continuing improvement of the pension administration service. The current funding level was discussed and members of the Committee questioned the representatives from the Local Pension Partnership on various elements of the proposed budget and the short term objectives, requesting further clarification of the information provided where appropriate.

Resolved:

1. That the Local Pensions Partnership 2019/20 budget, as set out in Appendix 'A' to the report presented, is approved.
2. That the 2019/20 short term objectives of the Local Pensions Partnership, as set out in Appendix 'B' to the report presented, are approved.
3. That the Local Pension Partnership provide the following information to the Committee outside of the meeting.
 - a) A detailed breakdown of the figures for 'Travel' and 'Other' referred to in the 'Non Staff Costs' section of Appendix 'A'.
 - b) Details of the 'growth roles' referred to under 'Staff Costs' in Appendix 'A'.
 - c) A breakdown of staff numbers at the various locations across the Local Pension Partnership.
 - d) Examples of diversity/legal statements in relation to responsible investment.

- e) An update on progress towards the achievement of cultural targets in relation to addressing pay differentials and climate change.

The Chair thanked the representatives from the Local Pension Partnership for their attendance and contributions to the discussion before they left the meeting.

8. Independent Investment Adviser to the Pension Fund - New Contract

(Exempt information as defined in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information).

A report was presented on the proposal to award a new 3 year contract to one of the independent advisers to the Committee on their existing terms of employment. In considering the report the Committee discussed the proposed salary, the knowledge/experience of the individual concerned and the benefit of having overlapping contracts for the two independent advisers to ensure continuity of advice. It was also noted that any approval by the Committee would be subject to the Cabinet agreeing a waiver of the county council procurement rules in accordance with paragraph 9 of Appendix R in the county councils Constitution.

Resolved: That, subject to the Cabinet agreeing a waiver of the county council procurement rules, Aoifinn Devitt, the independent adviser to the Committee, be awarded a contract for three years up to the 28th February 2022, on the basis set out in the report presented.

9. Reappointment of the Chair of the Lancashire Local Pension Board

(Exempt information as defined in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information).

The Head of Fund presented a report which recommended that the current Chair of the Lancashire Local Pension Board be appointed for a further two years with an option for an extension of an additional two years. In considering the appointment the Committee discussed the salary for the post and noted the experience of the Chair and the contributions he had made to the work of the Board.

Resolved:

1. That the appointment of Mr W Bourne as the independent Chair of the Lancashire Local Pension Board, on the basis set out in Appendix 'A' to the report presented, is approved.

2. That the full council be recommended to approve the appointment specified at 1 above with effect from the 1st April 2019.

L Sales
Director of Corporate Services

County Hall,
Preston