

Lancashire County Council

Pension Fund Committee

Minutes of the Meeting held on Friday, 17th June, 2022 at 10.30 am in Committee Room 'A' - The Tudor Room at County Hall, Preston.

Present:

County Councillor E Pope (Chair)

County Councillors

M Brown	H Hartley
J Burrows	S Holgate
M Clifford	A Schofield
F De Molfetta	R Swarbrick
A Gardiner	D Westley

* replaced County Councillor R Woollam for this meeting only.

Co-opted members

Councillor E Whittingham, Blackburn with Darwen Borough Council.

Ms J Eastham, Further Education/Higher Education Institutions.

Mr P Crewe, Trade Unions.

Ms S Roylance, Trade Unions.

In attendance:

Mr S Greene, Head of Pension Fund, Lancashire County Council.

Mr R Cathey, Principal Lawyer, Lancashire County Council.

Mr E Lambert, Independent Investment Adviser

Ms A Devitt, Independent Investment Adviser.

Ms M George, Independent Investment Adviser

Mr S Bassnett, Senior Manager, Grant Thornton.

Mr A Dalecki, Head of Service - Internal Audit, Lancashire County Council.

Mr M Neville, Senior Democratic Services Officer, Lancashire County Council.

Mr C Rule, Chief Executive, Local Pensions Partnership.

Mr G Smith, Director of Strategy, Local Pensions Partnership.

Ms J Darbyshire, Managing Director, Local Pensions Partnership Administration.

Mr J Peach, Senior Analyst Client Management, Local Pensions Partnership Investment.

Mr E Lambert - Independent Investment Adviser.

The Chair informed the Committee that this would be the last meeting which Mr Lambert would attend before he retired from his position as one of the Investment Advisers to the Fund. On behalf of the Committee the Chair thanked Mr Lambert for his expertise and support over the last 13 years and invited those present at the meeting to join Mr Lambert for an informal lunch after the meeting.

1. Constitution, Membership and Terms of Reference of the Committee.

The Chair presented a report on the Constitution and membership of the Committee (as agreed by Full Council on 26th May 2022) which stated that some nominating bodies had confirmed their appointments for Co-opted members while confirmation was yet to be received for others.

It was also reported that following a review of the Terms of Reference of the Committee several amendments were proposed, as set out at Appendix 'A' to the report. In response to a query the Head of Fund confirmed that a further minor amendment would be made to the wording under item 6 of the matters reserved to him.

Resolved:

1. That the Constitution and Membership of the Pension Fund Committee, as set out below, is noted.

County Councillors

J Burrows (Conservative)	S Holgate (Labour)
M Brown (Labour)	E Pope (Conservative) – Chair
M Clifford (Labour)	A Schofield (Conservative) – Deputy Chair
F De Molfetta (Labour)	M Tomlinson (Labour)
A Gardiner (Conservative)	D Westley (Conservative)
H Hartley (Conservative)	R Woollam (Conservative)

Co-opted members (confirmed)

Councillor E Whittingham - Blackburn with Darwen Borough Council
Ms J Eastham - Further Education and Higher Education Institutions.
Mr P Crewe - Trade Unions.
Ms S Roylance - Trade Unions (replaced Mr J Tattersall).

Co-opted members (to be confirmed)

Councillor M Smith - Blackpool Borough Council.
Councillor D Borrow - Borough & City Councils.
Vacancy – Borough & City Councils (to replace Councillor M Hindley).

2. That, subject to a further minor amendment specified at the meeting, the revised Terms of Reference set out at Appendix 'A' to the report presented are approved and recommended to full Council for approval and inclusion in the Constitution of the County Council.

2. Apologies

Apologies for absence were received from County Councillor M Tomlinson and Co-opted members Councillor D Borrow and Councillor M Smith.

3. Disclosure of Pecuniary and Non-Pecuniary Interests

No disclosures of Pecuniary/Non-Pecuniary interest were made at this point in the meeting.

4. Minutes of the meeting held on 11th March 2022.

It was noted that the detailed pay proposals for the Local Pensions Partnership were approved by the Employment Committee on 14th March 2022.

Resolved: That the Minutes of the meeting held on 11th March 2022 are confirmed as an accurate record and signed by the Chair.

5. External Audit 2021/22

Mr Bassnett, Senior Manager from Grant Thornton, presented a report on the 2021/22 external audit plan for the Lancashire County Pension Fund, which would give an opinion on whether the financial statements represented an accurate view of the financial position/performance of the Fund on 31st March 2022, and that the accounts had been prepared in accordance with proper accounting practice.

When considering the report, the Committee discussed the issue of materiality and were informed that the fees to be charged by Grant Thornton for the audit, which were subject to approval by Public Sector Audit Appointments, were expected to be £37k.

Resolved:

1. That the 2021/22 external audit plan for the Lancashire County Pension Fund, as set out at Appendix 'A' to the report presented, is noted.
2. That the Chair and Head of Fund discuss materiality outside of the meeting and that a further report be brought back to the next meeting on the issue.

6. 2021/22 Budget Monitoring Report

The Head of Fund presented a report on the financial performance of the Fund for the year ended 31st March 2022 which showed a higher deficit compared to the budget. He responded to queries from members of the Committee on the key variances set out in the report, particularly around investment fees, and confirmed that savings had been achieved since the creation of the Local Pensions Partnership.

Resolved: That the financial performance of the Lancashire County Pension Fund for the year ended 31st March 2022, as set out in the report presented, is noted.

7. Internal Audit Report 2022

Mr Dalecki, Head of Service - Internal Audit, presented a report summarising the internal audit assurance work which had been completed during 2021/22 and was planned for 2022/23.

The moderate assurance regarding overpayments was discussed and the Head of Fund undertook to provide further detail on the matter to the members of the Committee. Both the Head of Fund and Deputy Chair of the Committee clarified that most of the actions arising from a previous audit report on Local Pensions Partnership Administration Ltd (LPPA) had been implemented, though it was accepted that some actions were dependent on the implementation of Project PACE by LPPA which for Lancashire was scheduled to take place in October 2022.

Resolved: That the audit report is noted and that further detail on the Fund's approach to the handling of overpayments be provided to members of the Committee outside of the meeting.

8. Lancashire County Pension Fund - Governance Compliance Statement

The Head of Fund presented a report on the draft Governance Compliance Statement which would replace the separate Annual Governance Statement and Governance Policy Statement.

In response to a query regarding the ongoing conflict in Ukraine the Head of Fund confirmed that the Investment Panel monitored the performance of investments and the macro-economic factors which influenced the market in which the Fund operated. Mr Lambert assured the Committee that the Fund's long term investment strategy was robust and able to weather short-term instability.

Resolved: That the Governance Compliance Statement for the Lancashire County Pension Fund, as set out at Appendix 'A' to the report presented, is approved.

9. Lancashire Local Pension Board - Annual Report 2021/22

The Head of Fund presented a report on the 2021/22 Annual Report which had been agreed by the Pension Board on 26th April 2022 and recommended to the Committee for approval.

Resolved: That the 2021/22 Annual Report of the Pension Board, as set out at Appendix 'A' to the report presented, is approved for inclusion in the draft Lancashire County Pension Fund Annual Report to be presented to Committee on 16th September 2022.

10. Lancashire County Pension Fund Risk Management Framework

The Committee considered a report on the Risk Management Framework which set out the key processes and responsibilities for effective risk management and compliance against relevant scheme guidance, regulation, and legislation.

The Head of Fund reported that the Framework set out in the Appendix had been updated to reflect developments on the risk management arrangements as referenced in the report and had been considered and approved by the Pension Board on 26th April 2022.

Resolved: That the updated Lancashire County Pension Fund Risk Management Framework, as set out at Appendix 'A' to the report presented, is approved.

11. Responsible Investment Report

The Committee considered a detailed report on responsible investment matters during Q1 of 2022 (January to March).

The Head of Fund reported that Local Pensions Partnership Investments Ltd had met the required standard to be compliant with the UK Stewardship Code (2020) and that the dashboard at Appendix 'B' to the report had been updated to include additional metrics as agreed by Committee in March 2022. He also clarified the current position regarding The Public Service Pensions and Judicial Offices Act 2022 which gave the Local Government Secretary new powers to direct Local Government Pension Funds not to take decisions which conflicted with government foreign or defence policy.

Resolved: That the update on responsible investment matters during Q1, as set out in the report and Appendices is noted.

12. 2021/22 Training Record and feedback from members of the Committee on pension related training.

The Committee received a report on the 2021/22 Training Record which reflected the participation of individual members of the Committee in external/internal training events over the last 12 months and would inform reporting on training included in the Lancashire County Pension Fund Annual Report.

The Chair reminded the new members of the Committee that there would be several opportunities throughout the year for training on pension related matters.

Resolved: That the participation of individual members of the Committee at the training events referred to in the report, together with the contents of the Training Record for 2021/22, as set out in the Appendix, are noted.

13. Urgent Business

No items of urgent business were raised under this heading.

14. Date of Next Meeting

It was noted that the next scheduled meeting would be held at 10.30am on 16th September 2022 in Committee Room 'A' – The Tudor Room at County Hall, Preston.

15. 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 paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972. It is considered that in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

16. Annual Administration Report 2021/22 and PACE Project Update

Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of 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.

Ms J Darbyshire, Managing Director at Local Pensions Partnership Administration Ltd, presented a detailed report on the performance of the pension administration service against standards and targets during 2021/22.

She informed the Committee that in response to the pandemic additional staff had been allocated to the helpdesk and calls associated with bereavement had been prioritised. It was also reported that more detailed information would be available regarding service levels once the new pension administration system was introduced as part of Project PACE and Ms Darbyshire confirmed the go live date for Lancashire would be 28th October 2022.

The Chair reminded members of the Committee that there would be a briefing on Project PACE and pensions administration on 29th June 2022 at County Hall.

Resolved: That the performance of the pension administration service against standards and targets during 2021/22, as set out in the report, is noted.

17. Local Pensions Partnership Update

Exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of 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.

Mr G Smith, Director of Strategy, reported that the Local Pensions Partnership (LPP) continued to deliver in line with the agreed 5-year Strategic Plan and updated the Committee on performance against objectives. It was noted that after an initial 6-years operation LPP was undergoing a governance review with an initial report on the outcome to be presented to the next meeting.

Resolved:

1. That the updates on the activity and financial position of the Local Pensions Partnership, as set out in the report presented, are noted.
2. That a report on the initial findings of the governance review of the Local Pensions Partnership be presented to the Committee on 16th September 2022.

18. Investment Context Report

Exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of 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.

Ms Devitt, Independent Investment Adviser, presented her report on the various macro-economic factors which influenced the investment market in which the Fund operated, specifically highlighting, interest rates, Covid-19, inflation, and the war in Ukraine. She also reassured the Committee that in the current macro-economic climate the investments of the Fund remained robust and stable.

Resolved: That the update on the macro-economic factors which influence the investment market in which the Lancashire County Pension Fund operates is noted.

19. Investment Performance Report

Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of 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.

Mr Lambert, Independent Investment Adviser, presented an overview of the performance of the Lancashire County Pension Fund for Q1 and highlighted key points such as the total portfolio return over different periods, strategic/current asset allocations and contributions net of benefits, expenses, and investment income. It was also noted that 31st March 2022 liabilities had been increased to allow for the high inflation experienced over the last 6 months.

Resolved: That the summary of the Fund's performance up to 31st March 2022, as set out in Appendix 'A' to the report presented is noted.

Mr Bassnett and the representatives from the Local Pensions Partnership left the meeting at this point.

20. Investment Panel Report

Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of 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 on the various matters discussed at the Investment Panel on 10th March 2022 and updated the Committee on the latest position regarding the East Cliff development near the railway station in Preston.

Resolved: That the Minutes of the Investment Panel held on 10th March 2022 and the update given at the meeting regarding the East Cliff development in Preston are noted.

21. Lancashire County Pension Fund - Risk Register

Exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of 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 Chair presented a report on the Fund Risk Register which had been updated to include risks associated with inflation, pension scams, member communications and the ongoing Russia/Ukraine war. In response to a query the Head of Fund confirmed that whilst the Fund had limited exposure to the investments which would be directly impacted by the war the broader geo-political situation would continue to be monitored and mitigating factors implemented if appropriate.

Resolved: That the current risk summary document and risk register for the Lancashire County Pension Fund, as set out in the Appendices to the report presented, are noted.

L Sales
Director of Corporate Services

County Hall
Preston

Pension Fund Committee Terms of Reference

Composition and role:

1. The Pension Fund Committee ("the Committee") comprises twelve County Councillors and seven voting co-optees representing the following organisations.
 - a. One co-optee representing the Further and Higher Education sector in Lancashire.
 - b. One co-optee from Blackburn with Darwen Council.
 - c. One co-optee from Blackpool Council.
 - d. Two co-optees representing Trade Unions; and
 - e. Two co-optees representing the Lancashire Borough and City Councils.
2. The role of the Committee is to:
 - a. Fulfil the role of Scheme Manager, as set out in regulations, of the Lancashire County Pension Fund ("the Fund" or "LCPF").
 - b. Establish policies in relation to investment management, which shall include meeting with the Investment Panel to consider future Investment policy for the Fund.
 - c. Monitor and review investment activity and the performance of the Fund.
and
 - d. present an annual report to the Full Council on the state of the Fund and on the investment activities during the preceding year.
3. The Committee shall meet at least quarterly, or otherwise as necessary, with members of the Investment Panel in attendance.
4. Meetings of the Committee shall be open to the public, but the public may be excluded where information of an exempt or confidential nature is being discussed – see Access to Information Procedure Rules set out at Appendix 'H' to the County Council's Constitution.

General:

5. To exercise Lancashire County Council's responsibility for the management of the Fund, including the administration of benefits and strategic management of Fund assets and liabilities.
6. To determine which pension related functions and responsibilities should be exercised under a Scheme of Delegation to the Head of the LCPF, the Council's s.151 Officer and the Director of Corporate Services.

7. To review governance arrangements and the efficient and effective use of external advisors to ensure good decision-making.
8. To appoint a minimum of two suitable persons to an Investment Panel through a sub committee convened for that purpose.
9. To establish sub-committees and panels as necessary to undertake any part of the Committee's functions.
10. To receive an annual report from the Lancashire Local Pensions Board on the nature and effect of its activities.

Policies (other than Investment, Administration and Funding – see below):

11. To approve the following key policy documents:
 - a) A 3 Year Strategic Plan for the Fund.
 - b) An Investment Strategy Statement
 - c) Governance Compliance Statement.
 - d) Pension Fund Annual Report.
 - e) Communication Policy
 - f) Internal Dispute Resolution Procedure.
 - g) Death Grant Policy
 - h) Bulk Transfer Payment Policy.
 - i) Commutation policy (small pensions).
 - j) Transfer policy.
 - k) Abatement policy and
 - l) Any other discretionary policies as required under LGPS regulations

Investment:

12. To determine the strategic asset allocation policy, giving due recognition to the options made available by Local Pensions Partnership Investments Ltd (LPPI).
13. To monitor the performance of the Fund's investments and ensure that best practice is being adopted and value for money is being delivered
14. To submit an annual report to the Full Council on the performance and state of the Fund and on the investment activities during the year.
15. To approve and review on a regular basis an overall Investment Strategy and subsidiary Strategies for such asset classes as the Investment Panel consider appropriate.
16. To have overall responsibility for investment policy.

Administration:

17. To approve the Annual Administration Report.
18. To approve the Pensions Administration Strategy Statement.
19. To monitor the performance of the pensions administration function.
20. To authorise the payment of any statutory pensions, gratuities, grants, etc. under the provisions of the Superannuation and Pensions Acts and Regulations and any Local Acts.
21. To approve applications for early payment of preserved pension benefits on compassionate grounds.
22. To approve payments under the County of Lancashire Act 1984.
23. To determine the actual injury allowance payable on each individual qualifying case of injury or disease, both retrospective and for the future.
24. To review annually the actual amounts of injury allowances payable under the Local Government Superannuation Regulations, as amended, to employees who have sustained injuries or contracted diseases, **resulting from** anything they were required to do in carrying out their work. and to make any changes appropriate to reflect changes in the relevant financial circumstances of the payee.

Funding:

25. To approve the Funding Strategy Statement which shall include the Fund's policy in respect of:
 - a. the Funding Target.
 - b. the collection of employee contributions.
 - c. the collection of employer contributions.
 - d. the collection of additional employer contributions
 - e. Admissions and Terminations; and
 - f. Employer risk.
26. To approve Scheme Funding Advice
27. To review ongoing funding updates for potential cash contribution implications

Procurement:

28. To approve the procurement process, tender award criteria and evaluation methodology in advance of any tender being invited for the appointment of external support, including:
 - a. an external corporate governance adviser.
 - b. an external Fund custodian.

- c. external performance measurement advisers.
- d. the Fund Actuary and
- e. the Fund's AVC Provider.

Training:

- 29. To approve the annual Training Plan for members of the Pension Fund Committee and actively participate in training opportunities.

Local Pensions Partnership Ltd (LPPL):

LPPL was formed in partnership between the County Council and the London Pension Funds Authority (LPFA) to carry out certain pension functions such as investment activity and administration on behalf of the two partner authorities. The relationship between the County Council and LPFA is governed by various agreements, one of which (the Shareholders Agreement dated 8th April 2016) reserves certain key matters for the determination of the County Council and LPFA rather than LPPL (the "Reserved Matters"). References to delegated powers relating to LPPL address the Reserved Matters. Unless stipulated, any reference to the "Agreement" is a reference to the Shareholders Agreement dated 8th April 2016.

Pension administration services are provided by the administration arm of LPP, which is called Local Pensions Partnership Administration Limited, with investment services being undertaken by the investment arm, Local Pensions Partnership Investments Limited.

Incorporation or winding up of subsidiaries:

- 30. To approve, with the exception to the formation of vehicles which are necessary for any transactional, operational or tax efficiency reasons in the sole opinion of the Board, any incorporation of any new subsidiary of LPPL or any of its Group Companies or any liquidation or winding up of LLP or any of its Group Companies. Any acquisition of any shares in any company, whether through subscription or transfer, such that the company concerned becomes a Subsidiary of LPPL or any Group Company.

Merger/acquisition of any business undertaking:

- 31. To approve the amalgamation or merger with any company, association, partnership or legal entity or the acquisition of any business undertaking of any other person.

Financial and Business:

- 32. To approve any Strategic Plan for LPPL or make any material changes to any Strategic Plan after its approval.
- 33. To approve any extension of the activities of LPPL outside the scope of the Business or **to** close down any business operation.
- 34. To receive the annual accounts of LPPL.

35. To approve the establishment, provision, or amendment of any pension scheme for LPPL.
36. To give or take any loans, borrowing or credit (other than normal trade credit in the ordinary course of business) exceeding £1,000,000 or cause the aggregate indebtedness of LPPL to exceed £[5m].

Shares, shareholder loans and constitutional:

37. To pay or declare any dividend (other than as expressly provided for in the Shareholder agreement) or other distribution to the Shareholders or redeem or buy any Shares or otherwise reorganise the share capital of LPPL.
38. To admit any person whether by subscription or transfer as a member of LPPL save as provided for in the Shareholder Agreement.
39. To approve any change to the name of LPPL.

Control, management, Directors, and employees:

40. To approve the remuneration policy of LPPL Non-Executive Directors.
41. To approve the appointment or removal of any statutory director of LPPL otherwise than in accordance with the Shareholder Agreement and the Articles of LPPL.
42. To enter into or vary any agreement for the provision of consultancy, management or other services by any person which will, or is likely to result in, LPPL being managed otherwise than by its directors or controlled otherwise than by its shareholders.
43. To approve the move of the central management and control of LPPL or LPPL's tax residence outside of the UK.

Contract with related parties

44. To enter into or vary, any contracts or arrangements with any of the Shareholders or Directors or any person with whom any Shareholder or Director is connected (whether as director, consultant, shareholder or otherwise) save as anticipated in the various agreements between the County Council, LPFA and LPPL entered into on 8th April 2016.
45. To approve the commencement or the taking of steps to commence any insolvency proceedings under any law relating to insolvency anywhere in the world unless LPPL is at the relevant time unable to pay its debts as they fall due or the value of its assets is less than its liabilities, including its contingent and prospective liabilities and the directors reasonably consider (taking into account their fiduciary duties) that it ought to be wound up or it ought to enter into administration.
46. To enter into any partnership, joint venture or profit sharing arrangement with any person or create any share option scheme.

47. To enter into or make any material variation to any agreement not in the ordinary course of the Business and/or which is not on an arm's length basis.
48. To approve the sale, lease (as lessor), licence (as licensor), transfer or otherwise dispose of any of its material assets.
49. To enter into any contract which cannot be terminated within 48 months and under which the liability for such termination could exceed £1 million.

Pension Fund Committee – Scheme of Delegation Arrangements.

1. Matters reserved to Full Council

Local Pensions Partnership Ltd (LPPL):

Changes to the Articles or any Share rights impacting on any pre-approval matter(s)

Approval to alter any of the provisions of the LPPL Articles (including the articles of the LPPL subsidiary companies) or alter any of the rights attaching to the Shares (including where any such alterations directly or indirectly impact on a Reserved Matter) unless such amendment is of a purely administrative nature.

Dilution on Shareholding/Issue of Shares and Share Options

Approval to reduce or cancel any share capital of LPPL, purchase its own shares, hold any shares in treasury, allot or agree to allot, whether actually or contingently, any of the share capital of LPPL or any security of LPPL convertible into share capital, grant any options or other rights to subscribe for or to convert any security into shares of LPPL or alter the classification of any part of the share capital of LPPL save as the power to do so without prior Shareholder approval is specifically provided for in the Agreement .

Creation of any Holdco of LPPL

To approve the formation of any holding company of LPPL.

Change of Company status

To approve a change of status of LPPL from a limited company to a public limited company or from a company limited by shares to any other form of legal entity.

2. Matters reserved to the Employment Committee

Local Pensions Partnership Ltd (LPPL):

Approval of LPPL's Remuneration Policy

To approve the remuneration policy of the LPPL directors and staff, other than for LPPL Non-Executive Directors

Changes to Directors' Remuneration Policy

To approve the payment of any fees, remuneration or other sums to or in respect of the services of any director or vary any such fees or remuneration other than in accordance with an agreed remuneration policy approved by both LCC and LPFA. For the avoidance of doubt this will not apply to the payment or reimbursement of reasonable expenses properly incurred by any statutory director in the course of carrying out his duties in relation to LPPL nor to any payment under any indemnity by LPPL to which the statutory director is entitled under the Articles or under any relevant law.

Proposed redundancies of any Group employees

To approve any proposed programme of redundancies within LPPL or rationalisation of a group of employees

Proposed re-location of any LPPL employees

To approve any proposed programme of relocation of a group of employees outside Lancashire who were previously employees of LCC.

Chief Executive

To approve the appointment or removal of the Chief Executive of LPPL or any subsidiary company.

3. Matters reserved to Officers

The following functions have been delegated to the Head of the Lancashire County Pension Fund (LCPF), the Director of Corporate Services, and the Council's s.151 Officer as indicated below:

The Head of the LCPF, the Director of Corporate Services, and Council's s.151 Officer may allocate or re-allocate responsibility for exercising powers (delegated to them by Full Council or the Pension Fund Committee) to other officers on their behalf in the interests of effective corporate management as he/she thinks fit.

Records of all such authorisations must be retained and a copy sent to Democratic Services for retention. The 'other' officer(s) to whom a power has been re-allocated cannot further delegate that power to another officer.

Any decisions taken under the Scheme of Delegation must be recorded on the electronic decision recording system.

Matters reserved to the Director of Corporate Services

Agreements

To enter into or vary any agreement to do any of the things reserved to the Pension Fund Committee and to officers under the Scheme of Delegation arrangements

Local Pensions Partnership Ltd (LPPL):

Guarantees and Indemnities

To give any guarantee, suretyship or indemnity outside the ordinary course of business to secure the liabilities of any person or assume the obligations of any person.

Disputes and proceedings

To commence, settle or defend any claim, proceedings or other litigation brought by or against LPPL, except in relation to debt collection [not exceeding £[2m],] in the ordinary course of the Business.

Matters reserved to the Council's S.151 Officer

As the officer designated under s.151 of the Local Government Act 1972 to be responsible for the proper administration of the financial affairs of the County Council, for this purpose including the Lancashire County Pension Fund.

Accounts and Records

To maintain all necessary accounts and records in relation to the Pension Fund save as otherwise discharged in accordance with arrangements determined by the Pension Fund Committee

Local Pensions Partnership Ltd (LPPL):

Shares, Shareholder loans and constitutional:

1. Save as provided for in the Shareholders Agreement, to approve an increase in the amount of any Shareholder Loans or the variation of the terms of any Shareholder Loans.
2. To approve the repurchase, repayment, redemption or cancellation of any Shareholder Loan other than in accordance with the terms of any Loan Agreement, Loan Notes or the terms of the Shareholders Agreement.

3. To enter into any agreement with a Shareholder for the provision of additional funds or financial support from that Shareholder which differ from the terms on which the other Shareholder is providing equivalent finance or support.

Matters reserved to the Head of the Lancashire County Pension Fund

As the officer responsible for the management of the Lancashire County Pension Fund:

1. To set the appropriate funding target for the Fund.
2. To place any monies not allocated to investments on short term deposit in accordance with arrangements approved by the Pension Fund Committee.
3. In consultation with the Investment Panel, to monitor and review the performance of investments made by LPPL and to report to each meeting of the Pension Fund Committee on the exercise of this delegation.
4. To arrange and authorise the provision of appropriate and necessary training for members of the Pension Fund Committee including the attendance at conferences and other similar pension fund related events by members of the Pension Fund Committee.
5. To accept for admission into the Lancashire County Pension Fund employees of authorities and bodies as prescribed in Regulations including transferee and community admissions which are considered as 'exceptional circumstances', subject to an approved Admission Agreement, and subject to any necessary indemnities as appropriate.
6. To prepare and submit the following to Pension Fund Committee:
 - a) A 3 Year Strategic Plan for the Fund.
 - b) An Investment Strategy Statement (to include policy on the management of cash balances).
 - c) A Governance Compliance Statement.
 - d) The Pension Fund Annual Report.
 - e) A Funding Strategy Statement to include the Fund's policy in respect of:
 - the Funding Target.
 - the collection of employee contributions.
 - the collection of employer contributions.
 - the collection of additional employer contributions;
 - Admissions and Terminations; and
 - Employer risk.

- f) The Pensions Administration Strategy Statement.
 - g) The Communication Policy.
 - h) An Internal Dispute Resolution Procedure.
 - i) The Death Grant Policy.
 - j) The Bulk Transfer Payment Policy.
 - k) A Commutation Policy (small pensions).
 - l) The Transfer Policy,
 - m) The Abatement Policy, and
 - n) Any other discretionary policies as required under LGPS regulations.
7. To carry out the administrative functions of the administering authority relating to the Local Government Pension Scheme.
 8. To approve the payment of death grants in accordance with the agreed Death Grant Policy.
 9. To appoint any required external support (subject to the role of the Pension Fund Committee and the Investment Panel), their terms of office and remit.
 10. To deal with stage 2 appeals under the Internal Dispute Resolution Procedure.
 11. To authorise the payment of any statutory pensions, gratuities, grants, etc. under the provisions of the Superannuation and Pensions Acts and Regulations and any Local Acts.
 12. To approve applications for early payment of preserved pension benefits on compassionate grounds.
 13. To approve payments under the County of Lancashire Act 1984
 14. To determine the actual injury allowance payable on each individual qualifying case of injury or disease, both retrospective and for the future.
 15. To review annually the actual amounts of injury allowances payable under the Local Government Superannuation Regulations, as amended, to employees who have sustained injuries or contracted diseases, as a result of anything they were required to do in carrying out their work and to make any changes appropriate to reflect changes in the relevant financial circumstances of the payee.
 16. To provide support to the Local Pension Board to enable it to fulfil its role and responsibilities as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013.

Local Pensions Partnership Ltd (LPPL):

To approve the following:

17. The appointment or removal of the auditors of LPPL.

18. The alteration of LPPL's accounting reference date.
19. Any significant change to any of LPPL's accounting or reporting practices.
20. The creation of any Encumbrance over the whole or part of the undertaking or assets of LPPL.
21. Any item or series of items of capital expenditure including finance leases but excluding operating leases of more than £5,000,000.
22. The entering into or variation of any operating lease either as lessor or lessee, of any plant, property or equipment of a duration exceeding 10 years or involving aggregate premium and annual rental payments in excess of £5m.
23. The factor or discount any book debts of LPPL.
24. The making of any agreement or reach any settlement with any revenue authorities or any other taxing authority, or make any claim, disclaimer, election or consent of a material nature for tax purposes in relation to LPPL, its business, assets or undertaking.
25. Any change to the bankers of LPPL.
26. Any change to the registered office of LPPL.